

Vapor Group, Inc.

Restated Consolidated Financial Statements
for the Twelve Months Ended December 31, 2014

(Unaudited)

Vapor Group, Inc.

Table Of Contents

	Page No.
Restated Consolidated Financial Statements (Unaudited)	
Balance Sheet	F-1
Statement of Operations	F-2
Statement of Changes In Stockholders' Deficit	F-3
Statement of Cash Flows	F-4
Notes To Financial Statements	F-5

VAPOR GROUP, INC.
RESTATED UNAUDITED CONSOLIDATED BALANCE SHEET

	As of December 31,	
	2014	2013
ASSETS		
CURRENT ASSETS		
Cash	$ 407,550	$ -
Accounts receivable	74,526	-
Loan to shareholder	876,341	-
Inventory	984,551	-
Other current assets	490,046	5,000
Total current assets	2,833,013	5,000
PROPERTY AND EQUIPMENT, NET	72,284	1,000
OTHER ASSETS		
Intangible assets, net	15,000	-
Others	50,100	-
Deferred expenses	79	-
Total other assets	65,179	-
TOTAL ASSETS	$ 2,970,476	$ 6,000
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable	$ 67,783	$ -
Accrued interest	241,853	27,344
Accrued Expenses		114,351
Convertible notes payable	2,867,812	157,877
Loans payable	2,666	-
Payroll taxes payable	77,278	-
Sales tax payable	10,307	-
TOTAL CURRENT LIABILITIES	3,267,700	299,572
TOTAL LIABILITIES	3,267,700	299,572
STOCKHOLDERS' DEFICIT		
Preferred stock, $0.001 par value, 15,000,000 shares authorized, and 1,350,000 issued and outstanding	1,350	1,000
Common stock, $0.001 par value, 2,500,000,000 shares authorized, 927,967,208 and 270,020,145 issued and outstanding at December 31, 2014 and 2013 respectively.	927,967	270,020
Additional paid in capital	1,297,832	1,005,966
Retained earnings(accumulated deficit)	(2,524,373)	(1,570,558)
TOTAL STOCKHOLDERS' DEFICIT	(297,224)	(293,572)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 2,970,476	$ 6,000

The accompaying notes are an integral part of these financial statements.

VAPOR GROUP, INC.
CONSOLIDATED UNAUDITED RESTATED STATEMENT OF OPERATIONS

	For the Years Ended December 31,	
	2014	**2013**
NET REVENUES	$ 2,843,003	$ 62,731
COST OF REVENUES	1,389,450	44,802
GROSS PROFIT	1,453,553	17,929
COST AND EXPENSES		
Advertising and promotion	429,087	99
Interest Expenses	873,220	22,210
Commissions	89,314	
Depreciation	8,689	2,000
Professional fees	328,835	
General and administrative expenses	1,730,650	57,731
	3,459,795	82,040
(Loss) from continuing operations	(2,006,242)	(64,111)
OTHER INCOME(EXPENSE)		
Debt Conversion	1,135,484	-
Statury limitation	118,878	-
Interest	28,913	-
Others	(67,549)	-
Total other income and (expense)	1,215,726	-
Net (Loss)	$ (790,516)	$ (64,111)
Earnings (loss) per share **- Basic**	$ (0.00196)	$ (0.00024)
Weighted average number of shares outstanding	403,285,686	267,543,115

The accompanying notes are an integral part of these financial statements.

VAPOR GROUP, INC.
CONSOLIDATED RESTATED UNAUDITED STATEMENT OF CHANGES IN STOCKHOLDER'S DEFICIT
FOR THE YEARS ENDED DECEMBER 31, 2014, 2013 AND 2012

	Preferred Stock		Common Stock		Additional Paid-in	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Deficit
Balance at December 31, 2012	-	$ -	270,020,145	$ 270,020	$ 1,005,966	$(1,506,397)	$ (230,411)
Preferred stock issued for services	1,000,000	1,000					1,000
Net loss						(64,161)	(64,161)
Balance at December 31, 2013	1,000,000	1,000	270,020,145	270,020	1,005,966	(1,570,558)	(293,572)
Preferred stock issued for services	350,000	350					350
Comon stock issued for services Debt conversion			657,947,063	657,947	291,866		949,813
Merge & Acquisitions						$ (163,299)	$ (163,299)
Net loss						(790,516)	(790,516)
Balance at December 31, 2014	1,350,000	$ 1,350	927,967,208	$ 927,967	$ 1,297,832	$(2,524,373)	$ (297,224)

The accompaying notes are an integral part of these financial statements.

RESTATED UNAUDITED STATEMENT OF CASH FLOWS

	As of December 31,	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	(790,516)	(60,022)
Adjustments to reconcile increase(decrease) in net assets to cash provided by operating activities:		
Common stock issued for services		4,000
Interest paid by shareholder		
Depreciation	8,689	2,000
Changes in operating assets and liabilities:		
Inventory	(984,551)	
Accounts receivable	(74,526)	
Other assets	(1,422,530)	
Accounts payables	75,749	
Accrued expenses	77,325	54,022
Note payable	3,109,665	
NET CASH USED IN OPERATING ACTIVITIES	(694)	$ -
CASH FLOWS FROM INVESTING ACTIVITIES:		
Net cash provided by investing activities	(130,412)	
CASH FLOWS FROM FINANCING ACTIVITIES:		
Cash Overdraft		
Contribution by member		
Officer advance receivable decrease		
Notes payable converted to common stock		
Proceeds from sale of common stock	291,866	
Proceeds from loans payable	196,617	
Net cash used in provided by financing activities	488,483	
NET DECREASE IN CASH AND CASH EQUIVALENTS	357,377	
CASH - BEGINNING OF YEAR	50,173	
CASH - END OF YEAR	$ 407,550	$ -
Supplemental disclosure of cash flow information		
Cash paid for income taxes		
Cash paid for interest		
Non-Cash Financing Activities		
Stock issued for payment of debt	$ 657,947	$ -

The accompaying notes are an integral part of these financial statements.

VAPOR GROUP INC
NOTES TO RESTATED AND UNAUDITED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2014

Note 1 – GENERAL INFORMATION

1.1. Incorporation, Nature and Description of Business

We were originally incorporated under the laws of Canada on January 15, 1990, under the name "Creemore Star Printing, Inc." and changed our name on June 15, 2003 to "Smitten Press: Local Lore and Legends, Inc." We domesticated to the State of Nevada on May 8, 2007, and we were incorporated as SmittenPress: Local Lore and Legends, Inc. On April 30, 2010, our Board of Directors approved a change in our name to DataMill Media Corp., effective at the close of business on June 30, 2010. On October 3, 2011, we closed a Share Exchange Agreement, which resulted in Young Aviation, LLC, ("Young Aviation"), becoming a wholly-owned subsidiary. On November 10, 2011, a majority of our shareholders approved a change in our name to AvWorks Aviation Corp. The acquisition of Young Aviation is classified as a reverse merger and resulted in a change in control at the Company and a new focus on the business of Young Aviation.

As the result of the slow growth of such operations, in early 2013 the Company decided to seek other business opportunities. On September 3, 2013, the majority shareholder of the Company and record holder of 165,000,000 shares of restricted common stock of the Company (61.11% of the 270,020,145 shares of common stock issued and outstanding), and Corporate Excellence Consulting, Inc., a Florida corporation, the holder of 1,000,000 shares of the Series A Preferred Stock of the Company (100% of the issued and outstanding shares of preferred stock of the Company), (collectively, the "Sellers), entered into a share purchase agreement (the "Share Purchase Agreement") with Dror Svorai, an individual, (the "Buyer"), and the future President and CEO of the Company (post-Merger Agreement as hereinafter described). In accordance with the Share Purchase Agreement, the Sellers agreed to sell and transfer over time the 165,000,000 shares of restricted common stock and the 1,000,000 shares of Series A Preferred Stock of the Company to the Buyer for a total purchase price of $115,000. The Share Purchase Agreement provides that the purchase price be paid on or before February 13, 2014 and that as the purchase price is being paid by the Buyer, the shares of common and preferred stock are to be released pro-rata to the Buyer by the Sellers. The Share Purchase Agreement was completed and paid-in-full within its terms, and the sale and transfer of the common stock and Series A Preferred Stock to the Buyer was finalized on February 20, 2014. The sale and purchase of the 165,000,000 shares of common stock of the Company constitutes 49.34% of the total issued and outstanding shares of the Company of 343,536,386 as of April 11, 2014, and the sale and purchases of the 1,000,000 shares of Series A Preferred Stock constitutes 100% of the total issued and outstanding shares of preferred stock

which has over 50% voting control of the Company. As a result, Dror Svorai, an individual, is the controlling shareholder of the Company.

On November 11, 2013, The Board of Directors and stockholders owning or having voting authority for 165,000,000 shares of issued and outstanding Common Stock of the then 270,020,145 shares issued and outstanding, or 61.11% of the voting common stock of the Company, and 1,000,000 shares of Series A Preferred Stock, representing all of the issued and outstanding shares of preferred stock of the Company, voted in favor of an amendment to our Articles of Incorporation to affect a reverse stock split of all of the outstanding shares of Common Stock, at a ratio of one-for-thirty. The reverse split which was pending and would have become effective once FINRA completes its review of the Company's filings related to this corporate action, was subsequently cancelled by the Board of Directors on March 13, 2014, as filed on Form 8-K on March 18, 2014.

On January 22, 2014, the Company entered into an Agreement of Merger and Plan of Reorganization ("Merger Agreement") by and among the Company and the Vapor Group, Inc., a Florida corporation ("Vapor Group") and the shareholders of Vapor Group (the "Vapor Group Shareholders"), pursuant to which the Company will acquire 100% of the issued and outstanding shares of Vapor Group from the Vapor Group Shareholders in return for the issuance of 750,000,000 shares of its common stock. As a condition to be met prior to the closing of the Merger Agreement, the Company was required to increase its authorized shares of common stock to 2,000,000,000 from 500,000,000, which it did by filing an amendment to its Articles of Incorporation with the State of Florida on January 10, 2014, which amendment was accepted by the State of Florida on January 15, 2014 thereby increasing its authorized shares. The Merger Agreement subsequently became effective as of January 27, 2014 with its filing in the State of Florida.

The "Agreement of Merger and Plan of Reorganization", ("Merger Agreement"), dated January 22, 2014, is considered a reverse merger, and resulted in another change in control at the Company and new management decided to abandon the former aviation business and focus solely on the business of Vapor Group.

Per the Merger Agreement, the Company acquired 100% of the issued and outstanding shares of Vapor Group, in return for the issuance of 750,000,000 shares of its common stock following completion of a pending 30:1 reverse split of the Company's common stock. On March 7, 2014, per a filing of an 8-K dated March 13, 2014, the Company and the other parties to the Merger Agreement amended the Merger Agreement such that:

(a) The Company's Series B Preferred Stock shall be issued in lieu of the issuance of the consideration of 750,000,000 shares of its Common Stock per the Merger Agreement, post an announced 30:1 reverse split, issuable to the Vapor Group Shareholders under the terms and conditions of the Merger Agreement;

(b) The quantity of shares of Series B Preferred Stock issuable in connection with the Merger Agreement shall be calculated by dividing the 750,000,000 shares of Common Stock by the 100:1

convertibility feature of the Series B Preferred Stock, such that only 7,500,000 shares of Series B Preferred Stock shall be issued as the consideration under the Merger Agreement;

(c) The 7,500,000 shares of Series B Preferred Stock shall remain authorized but unissued until after the effective date of the announced 30:1 reverse split of the Company's Common Stock, at which time said issuance of Series B Preferred Stock shall be further reduced 30:1 similar to the effect of the reverse split, such that only 250,000 shares of Series B Preferred Stock are issued as the sole consideration to the Vapor Group Shareholders for entering into the Merger Agreement.

(d) Any and all shares of Series B Preferred Stock shall be restricted from any conversion into shares of Common Stock by any holder thereof for a period of eighteen (18) months from the date of their issuance.

On March 13, 2014, the Company announced by filing form 8-K on March 18, 2014, that the aforementioned 30:1 reverse split of the Company's Common Stock had been cancelled. As a result and consistent with the intent of the prior announcement amending the terms and conditions of the Merger Agreement, the aforementioned (see "(c)" above) 250,000 shares of Series B Preferred Stock granted in consideration of the Merger Agreement, as calculated "post reverse split" had there been one, shall be issued on the books and records of the Company to the Shareholders of Vapor Group. Said issuance by resolution of the Board of Directors occurred on March 17, 2014.

On March 31, 2014, the Company entered into an Acquisition Agreement with American Vaporizer, LLC, a Delaware limited liability company ("American Vaporizer") and two of the three membership unit holders of American Vaporizer (the "Unit Holders"), pursuant to which the Company, as a membership unit holder, would increase its ownership interest from its previous twenty-five percent (25%) to fifty-one percent (51%), by acquiring an additional twenty-six membership units of American Vaporizer (the "Membership Units") from the other two Unit Holders. Under Florida law, the Agreement was effective immediately and American Vaporizer became a majority-owned subsidiary of the Company.

On June 23, 2014, the Company entered into an agreement wherein it sold to S.E. Naples, Inc. ("S.E. Naples") all of its 51% ownership interest in American Vaporizer to return for an 8% interest bearing promissory note in the principal amount of $400,000 (the "Sale") and other terms and conditions. Under the agreement, the Company agreed to assist S.E. Naples in marketing of the American Vaporizer brand, American Smoke, for ninety (90) days. As a result of the Sale, American Vaporizer ceased to be a subsidiary of the Company, and the financial results of operations and financial statements of American Vaporizer were no longer consolidated with those of the Company. Investments made by the Company in American Vaporizer under the terms and conditions of its Acquisition Agreement and loans made in conjunction therewith, shall remain obligations of American Vaporizer for repayment to the Company.

On December 31, 2014, the Company entered into an Acquisition Agreement with VGR Media, Inc., a Florida corporation ("VGR Media") and its shareholders, pursuant to which the Company

would acquire one hundred percent (100%) of VGR Media from its shareholders. The result of this Agreement is that VGR Media, Inc. became a wholly-owned subsidiary of the Company.

Per the Acquisition Agreement, in exchange for an aggregate of one hundred percent (100%) of the issued and outstanding capital stock of VGR Media owned by its shareholders (i) the Company will acquire the ownership interest (i) in exchange for an aggregate one hundred thousand (100,000) shares of its Series B preferred stock which cannot be converted into shares of common stock until December 31, 2015; and (ii) the Company will assume all assets and liabilities of VGR Media, including licenses, equipment, product designs, marketing and sale materials, logos, trademarks, copyrights and websites, and trade and debt obligations.

As a result of the Acquisition Agreement with VGR Media, Inc. in which 100,000 shares of the Company's Series B preferred stock were issued, there is one million, three hundred and fifty thousand (1,350,000) shares of preferred stock of the Company issued and outstanding, consisting of one million (1,000,000) shares of Series A preferred stock and three hundred and fifty thousand (350,000) shares of Series B preferred stock. As of the date of this Annual Report the additional 100,000 shares of Series B preferred stock to be issued per the Acquisition Agreement have been issued and are outstanding.

About Vapor Group, Inc.

Vapor Group, Inc., www.vaporgroup.com, is in the business of designing, developing, manufacturing and marketing high quality, vaporizers and e-cigarette brands which use state-of-the-art electronic technology and specially formulated, "Made in the USA" e-liquids. It offers a range of products with unique e-liquid flavors which may or may not contain nicotine, that is unmatched in its industry. Its products are marketed under the Vapor Group, Total Vapor, Vapor 123, and Vapor Products brands which it sells nationwide through distributors and directly to consumers through its own websites. In addition, Vapor Group owns and operates Smart Wheels, Inc., a full service interactive advertising agency. Total Vapor Inc., Vapor 123 Inc., Vapor Products, Inc., and Smart Wheels, Inc., each a Florida corporation, are each a wholly-owned subsidiary of Vapor Group, Inc.

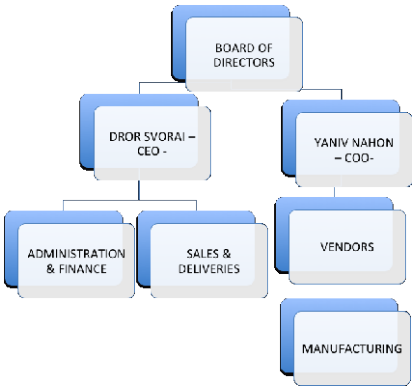
The following table shows individuals and legal entities with an equity interest greater than 20 percent and the amount of their equity interest:

Shareholder/owner	**Class of Stock**	**Ownership Percentage**
Dror Svorai	Preferred Series A	100%
Dror Svorai	Preferred Series B	75%
Yaniv Nahon	Preferred Series B	25%
CEDE & Co.	Common	90%

1.2. Year-on-Year Changes and Amendments to the Florida Department of State – Division of Corporations

During calendar 2014, in addition to filing with the Department of State of Florida, a Notice of Merger on January 27, 2014, the Company filed six (6) amendments pertaining to Article IV of its Articles of Incorporation, all of which changed the number of shares of authorized common stock, and altered the preferences of the Series A and Series B Preferred Stock.

1.3. Organizational Structure



1.4. Board of Directors at the Balance Sheet Date:

	Position	Name
Board of Directors	Chairman & CEO	Dror Svorai
	Vice-Chairman & COO	Yaniv Nahon
	CFO	Jorge Schcolnik

Note 2 - GOING CONCERN

As reflected in the accompanying consolidated financial statements, the Company had a net loss of $790,516 as of December 31, 2014. In addition, the Company had a working capital deficit of $434,686 at December 31, 2014. These matters raise substantial doubt about the Company's ability to continue as a going concern. The ability of the Company to continue as a going concern is dependent on the Company's ability to raise additional capital, further implement its business plan and to generate additional revenues.

Management believes that the actions presently being taken provide the opportunity for the Company to continue as a going concern. The consolidated financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Note 3 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies is provided to assist the reader in understanding the Company's financial statements. The financial statements and notes thereto are representations of the Company's management. The Company's management is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Basis of Presentation - The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for complete financial statements.

Use of estimates - In preparing financial statements, management is required to make estimates and assumptions that effect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and revenues and expenses during the periods presented. Actual results may differ from these estimates.

The Company’s financial statements have been prepared as of the balance sheet date, December 31, 2014. The unaudited restated financial statements were prepared on May 30, 2016.

3.1. Tangible and Intangible Fixed Assets

Fixed assets include assets with an estimated useful life greater than one year and an acquisition cost greater than one thousand dollars ($1,000) in respect of tangible assets, five thousand dollars ($5,000) in respect of start-up costs, and one thousand dollars ($1,000) in respect of other intangible assets on an individual basis.

Purchased tangible and intangible fixed assets are stated at cost less accumulated depreciation and provisions, if any.

The cost of fixed asset improvements exceeding one thousand dollars ($1,000) for individual tangible assets for the taxation period, and one thousand dollars ($1,000) for individual intangible assets for the taxation period, increases the acquisition cost of the related fixed asset.

Depreciation is charged so as to write off the cost of tangible and intangible fixed assets, other than land and assets under construction, over their estimated useful lives, using the straight line method, on the following basis:

Depreciation expense for the 2014 fiscal year ended December 31, 2014 was $8,689. The use of our property and equipment determines if the depreciation is recorded as general and administrative expenses.

3.2. Inventory

Purchased inventory is valued at acquisition cost. Acquisition costs doesn't include the purchase cost and indirect acquisition costs such as customs fees, freight costs and storage fees, commissions, insurance charges and discounts, which are recorded as general and administrative expenses or other income as the case may be.

Internally developed inventory is stated at cost of direct materials, direct labour costs and other direct expenses are recorded as general and administrative expenses.

Inventory as of December 31, 2014 total $ 984,551.

3.3. Receivables

Upon origination, receivables are stated at their nominal value. At this time no provisions has been established total Account Receivable as of December 31, 2014 totals $74,526.

3.4. Payables

Payables are stated at their nominal value. The balance as of December 31, 2014 was $67,783.

3.5. Loans

Loans are stated at their nominal value. The portion of loans maturing within one year from the balance sheet date is included in Current Liabilities as Loans Payable and as of December 31, 2014 total $2,666. For other specific financial liabilities, please see Note 4, below.

3.6. Borrowing Costs

Borrowing costs arising from loans attributable to the acquisition, construction or production of fixed assets are added to the cost of those assets. All other borrowing costs are recognised in the profit and loss account in the period in which they are incurred.

Notes 4 – Notes Payable

The Company had notes payable totaling $3,109,665 reflecting principal and accrued interest as of December 31, 2014.

As a result of the above, the balance of the notes payable is $2,867,812 and the accrued interest thereon is $241,853.

NOTE DISCLOSURE	FACE VALUE	ACCRUED INTEREST
Investment Firm: $150,000 Note issued on May 22,2014, a corporation loaned the Company $150,000 in exchange for a Promissory Note bearing interest at 8% . The Lender is allowed to convert the promissory note into Company common shares. The accrued interest payable balance on this note and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet was as of December 31st 2014. Balances are shown net of conversions.	66,532	7,557
Investment Firm: $6,000 Note issued on November 22, 2011. A corporation loaned the Company $6,000 in exchange for a Promissory Note bearing interest at 10%. The Lender is allowed to convert the promissory note into Company common shares. The accrued interest payable balance on this note and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet was as of December 31st 2014	6,000	3,157
Investment Firm: $50,000 Note issued on November 18, 2011. A corporation loaned the Company $50,000 in exchange for a Promissory Note bearing interest at 10%. The Lender is allowed to convert the promissory note into Company common shares. The accrued interest payable balance on this note and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet was as of December 31st 2014	50,000	478
Investment Firm: $50,000 Note issued on March 12,2014. This corporation loaned the Company $50,00 in exchange for a Promissory Note bearing interest at 10%. The Lender is allowed to convert the promissory note into Company common shares. The accrued interest payable balance on this note and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet was as of December 31st 2014. Balances are shown net of conversions.	1,547	2,849
Investment Firm $105,000 Note issued on August 22, 2014 this entity loaned the Company $105,000 in exchange for a Promissory Note bearing interest at 10% for a term of one year renewable. The Lender is allowed to convert the promissory note into Company common shares. The accrued interest payable balance on this note was $3,820.83 as of December 31st 2014 and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet.	105,000	3,821

Investment Firm $110,000 Note issued on July 18, ,2014 this entity loaned the Company $110,000 in exchange for a Promissory Note bearing interest at 8% for a term of one-year renewable. The Lender is allowed to convert the promissory note into Company common shares. The accrued interest payable balance on this note was $4,057.78 as of December 31st 2014 and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet.	110,000	4,058
Investment Firm $100,000 Note issued: on October 10th, 2014 this entity loaned the Company $110,000 in exchange for a Promissory Note bearing interest at 12% for a term of one year renewable. The Lender is allowed to convert the promissory note into Company common shares. The accrued interest payable balance on this note was as of December 31st 2014 and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet. Balances are shown net of conversions.	55,000	1,503
Investment Firm $80,000 Note issued: on April 20, 2014 this entity loaned the Company $80,000 in exchange for a Promissory Note bearing interest at 18% for a term of one-year renewable. The Lender is allowed to convert the promissory note into Company common shares. The accrued interest payable balance on this note was as of December 31st 2014 and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet, are shown net of conversions.	80,000	11,482
Investment Firm: $11,027.10 Note issued on February 7,2014. This corporation loaned the Company $11,027.10 in exchange for a Promissory Note bearing interest at 18%. The Lender is allowed to convert the promissory note into Company common shares. The accrued interest payable balance on this note and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet was as of December 31st 2014. Balances are shown net of conversions.	11,027	5,705
Investment Firm $75,000 Note issued on August 29 and 30, 2012. This corporation loaned the Company $75,000 in exchange for a Promissory Note bearing interest at 18%, $1,500 is pending for funding. The Lender is allowed to convert the promissory note into Company common shares. The accrued interest payable balance on this note was as of December 31st 2014. and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet. Balances are shown net of conversions.	(0)	6,438

Individual $69,000 Note: on May 1, 2014 this entity loaned the Company $69,000 in exchange for a Promissory Note bearing interest at 18% for a term of one year renewable. The Lender is allowed to convert the promissory note into Company common shares. The accrued interest payable balance on this note was $9,759.72 as of December 31st 2014 and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet.	19,000	3,107
Private Investor: $50,000.00 Note issued on December 5, 2011. This individual loaned the Company $50,000 in exchange for a Promissory Note bearing interest at 8%. On May,2012 $28,000 was paid on the Note. The Lender is allowed to convert the promissory note into Company common shares, The accrued interest payable balance on this note and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet was as of December 31st 2014. Balances are shown net of conversions.	22,000	15,167
Investment Firm: On April 29, 2014 Notes issued: $21,739.13, $364,130.43, $434,782.61 and $521,739.00. This corporation loaned the Company $1,342,391.17 in exchange for a Promissory Note bearing interest at 8%. The Lender is allowed to convert the promissory note into Company common shares. The accrued interest payable balance on this note and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet was as of December 31st 2014. Balances are shown net of conversions.	912,700	56,706
Investment Firm: $20,000.00 Note issued on August 15, Aug-2011. A corporation loaned the Company $20,000 in exchange for a Promissory Note bearing interest at 5%. The Lender is allowed to convert the promissory note into Company common shares, based on which the Note's buyer, Subsequently the note transferred to a non-affiliated second investment firm, which has converted $7,720.58. The accrued interest payable balance on this note and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet was as of December 31st 2014. Balances are shown net of conversions.		2,347
Investment Firm: $150,000.00 funded $75,000 on July 1, 2014; $75,000 on September 3, 2014 and $34,902.22 (net) on October 22nd 2014. Note issued on May 28, 2014. This corporation agreed to loan the Company $521,739.00 over the times in exchange for a Promissory Note bearing no interest for the first three months. The Lender is allowed to convert the promissory note into Company common shares. No accrued interest payable due to the grace period already mentioned. Accrued Interest Section of the Company's balance sheet was as of December 31st 2014	184,902	9,433

Investment Firm $100,000 Note issued on July 17, ,2014 this entity loaned the Company $100,000 in exchange for a Promissory Note bearing interest at 12% for a term of one year renewable. The Lender is allowed to convert the promissory note into Company common shares. The accrued interest payable balance on this note was $5,556.67 as of December 31st 2014 and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet. Balances are shown net of conversions.	100,000	5,567
Investment Firm: $60,000 Note issued on October 8, 2014 $104,000 and November 20, 2014 $84,000. This corporation loaned the Company $188,000 in exchange for a Promissory Note bearing interest at 8%. The Lender is allowed to convert the promissory note into Company common shares. The accrued interest payable balance on this note and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet was as of December 31st 2014. Balances are shown net of conversions.	155,000	2,444
Investment Firm: $165,000 Note issued on May 22, 2014. This corporation loaned the Company $150,000 in exchange for a Promissory Note bearing interest at 8%. The Lender is allowed to convert the promissory note into Company common shares. The accrued interest payable balance on this note and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet was as of December 31st 2014. Balances are shown net of conversions.	165,000	3,449
Investment Firm $250,000 Note issued: on April 24, 2014 this entity loaned the Company $250,000 in exchange for a Promissory Note bearing interest at 18% for a term of one year renewable. The Lender is allowed to convert the promissory note into Company common shares. The accrued interest payable balance on this note was $32,933.32 as of December 31st 2014 and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet. Balances are shown net of conversions.	250,000	32,933
Investment Firm $11,500 Note issued on May 23rd 2013 this entity loaned the Company $11,500 in exchange for a Promissory Note bearing interest at 18% for a term of one-year renewable. The Lender is allowed to convert the promissory note into Company common shares. The accrued interest payable balance on this note was $5,395.81 as of December 31 2014. and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet. Balances are shown net of conversions.	11,500	5,396

Private Investor $44,000.00 Note issued on November 15 and December 20, 2012, an individual loaned the Company $44,000 000 in exchange for a Promissory Note bearing interest at 18%. The Lender is allowed to convert the promissory note into Company common shares. The accrued interest payable balance on this note was as of December 3,1 2014. and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet.	13,728	9,795
Investment Firm: $8,877 Note issued on June 25, 2012. This individual loaned the Company $8,877 in exchange for a Promissory Note bearing interest at 8%. The Lender is allowed to convert the promissory note into Company common shares, The accrued interest payable balance on this note and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet was as of December 3,1 2014. Balances are shown net of conversions.	8,877	3,664
Investment Firm: $150,000 Note issued on March 18, 2014. This corporation loaned the Company $150,000 in exchange for a Promissory Note bearing interest at 18%, plus $4,882.19 financial expenses. The Lender is allowed to convert the promissory note into Company common shares. The accrued interest payable balance on this note and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet was as of December 31, 2014. Balances are shown net of conversions.		12,898
Investment Firm: $100,000 Note issued on May 29, 2014. This corporation loaned the Company $95,000 in exchange for a Promissory Note bearing interest at 8%. The Lender is allowed to convert the promissory note into Company common shares. The accrued interest payable balance on this note and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet was as of 31, 2014. Balances are shown net of conversions.		43
Investment Firm $555,000 Note issued: on June 27,2014 and funded $200,000 on July 2, 2014 this entity loaned the Company $225,000 and $110,000 on December 19, 2014. in exchange for a Promissory Note bearing interest at 10% for a term of one-year renewable. The Lender is allowed to convert the promissory note into Company common shares. The accrued interest payable balance on this note was as of December 31, 2014 and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet. Balances are shown net of conversions.	335,000	12,054

Investment Firm $110,000 Note issued: on July 29, ,2014 this entity loaned the Company $110,000 in exchange for a Promissory Note bearing interest at 8% for a term of one-year renewable. The Lender is allowed to convert the promissory note into Company common shares. The accrued interest payable balance on this note was as of December 31, 2014 and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet. Balances are shown net of conversions.	110,000	3,789
Investment Firm $250,000 Note issued on June 24.2014. Funded $50,000 less 10% IOD on July 1, 2014. This entity loaned the Company $250,000 in exchange for a Promissory Note bearing interest at 12% for a term of one year renewable. The Lender is allowed to convert the promissory note into Company common shares. The accrued interest payable balance on this note was as of December 31, 2014 and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet. Balances are shown net of conversions.	55,000	3,483
Private Investor: $40,000.00 Note issued on June 1, 2012. This individual loaned the Company $40,000 in exchange for a Promissory Note bearing interest at 8%. The Lender is allowed to convert the promissory note into Company common shares. The accrued interest payable balance on this note and is included in the Convertible Promissory Notes – Accrued Interest Section of the Company's balance sheet was as of December 31st 2014. Balances are shown net of conversions.	40,000	12,528
TOTAL:	**2,867,812**	**241,853**

Other Current Liabilities - The Company had other current liabilities consisting of the following at December 31, 2014:

Payroll taxes payable	77,278
Sales tax Payable	10,307

Note 5 – ADDITIONAL INFORMATION

Note 5 - Stock

Preferred stock

The Company is authorized to issue 15,000,000 shares of preferred stock at a par value $0.001. 1,350,000 shares were issued as of December 31, 2014.

Common stock

The Company is authorized to issue up 2,500,000,000 shares of common stock with a par value of $0.001, under terms and conditions established by the Board of Directors.

The Company had 927,967,208 issued and outstanding common stock shares as of December 31, 2014.

Note 6- Legal Matters

The Company is not aware of any pending or threatened legal matters that would have a material impact on our financial condition.