



MediaTechnics Corporation
Consolidated Balance Sheet
At June 30, 2016
(unaudited)

Assets

Current Assets

Cash	\$ 29,895
Inventory	1,743
Marketable securities held for sale	0
Unrealized (loss) on marketable securities	0

Total current assets 31,638

Note receivable	438,810
Accrued interest on note receivable	311,437
Furniture & equipment-net	17,762
Intellectual property - net	1,886,115
Lease purchase option	

Total assets \$ 2,685,762

Liabilities & Stockholders' Equity (Deficit)

Current Liabilities

Accounts payable	\$ 1,054,859
Loans from officers	183,463
Loans from others	551,513

Total current liabilities 1,789,835

Notes payable	
Contingencies	200,000
Convertible debenture	218,675

Total liabilities 2,208,510

Minority interest 452,151

Stockholders' Equity

Preferred stock	1,391
Common stock	1,430,454
Paid in capital	2,496,607
Accumulated (deficit)	(3,903,351)

Total stockholders' equity 25,101

Total liabilities and stockholders' equity \$ 2,685,762

See accompanying notes to these unaudited consolidated financial statements.



MediaTechnics Corporation
Consolidated Income Statement
(unaudited)

	For the twelve months ended	
	June 30	
	2016	2015
Revenues		
Sales income	\$ 14,928	\$ 59,183
Total Revenue	14,928	59,183
Cost of Sales	1,896	45,212
Gross Profit	13,032	13,971
Interest income	58,914	54,911
Net Revenue	71,946	68,882
Operating Expenses		
General and administrative	98,330	62,131
Officer compensation	156,000	156,000
Marketing expenses	264,395	28,886
Travel & entertainment	19,207	11,091
Professional fees	104,419	68,938
License and fees	1,555	
Rent & utilities	2,670	2,291
Interest expense	26,778	21,616
Amortization and depreciation	107,718	39,967
Total Operating Expenses	781,072	390,920
(Loss) from operations	(709,127)	(322,038)
Gain on settlement	-	23,425
(Loss) on sale of marketable securities	(197,008)	(46,290)
Reserve for settlements	-	(46,974)
Net income (loss)	\$ (906,135)	\$ (391,877)

See accompanying notes to these unaudited consolidated financial statements.



MediaTechnics Corporation
Consolidated Statements of Changes in Stockholders' Equity
(unaudited)

	Preferred Shares	Preferred Amount	Common Shares	Amount	Paid-In Capital	Unrealized Gains (losses)	Accumulated (Deficit)	Total
Balance at June 30, 2014	1,459,753	\$1,460	1,094,703,469	\$1,094,704	\$2,273,151	\$24,000	(\$2,545,727)	\$823,588
Conversion of Preferred Class M in sale transaction	(5,000)	(5)	50,000,000	50,000	(49,995)			\$0
Conversion of Preferred Class G in sale transaction	(50,000)	(50)	100,000,000	100,000	(99,950)			\$0
Issuance of Preferred Class M for debt	6,689	7			39,993			\$40,000
Issuance of Preferred Class Z for interest	2,403	2			14,407			\$14,409
Issuance of Preferred Class Y for securities	800	8			317,832			\$317,840
Unrealized holding (loss) on marketable securities						(24,000)	24000	\$24,000
Net (loss) for the year ended June 30, 2015							(475,489)	(\$475,489)
	1,414,645	\$1,422	1,244,703,469	\$1,244,704	\$2,495,438	\$0	(\$2,997,216)	744,348
Balance at June 30, 2015	1,414,645	1,422	1,244,703,469	1,244,704	2,495,438	-	(2,997,216)	744,348
Cancellation of Preferred Class G	(34,274)	(35)			35			-
Issuance of Preferred Class G	7,500	8			14,992			15,000
Exchange of Preferred Class M for Class G	(1,500)	(2)		-	(14,998)			(15,000)
Conversion of Class J Preferred to Common	(25,500)	(26)	63,750,000	63,750	(63,725)			-
Issuance of Class M Preferred for Class G Preferred	6,500	-			-			-
Issuance of Preferred Class M for debt	29,000	29			155,971			156,000
Issuance of Preferred Class M for services	2,592	3			15,497			15,500
Conversion of Class M Preferred to Common	(12,200)	(12)	122,000,000	122,000	(121,988)			-
Issuance of Preferred Class Z for interest	2,567	3			15,385			15,388
Issuance of noncontrolling interest in subsidiary - cash received in excess of proportionate net asset value								-
Net Loss							(906,135)	(906,135)
Balance at June 30, 2016	1,389,330	1,390	1,430,453,469	\$1,430,454	\$2,496,608	\$-	\$(3,903,351)	\$25,101

See accompanying notes to these unaudited consolidated financial statements.



MediaTechnics Corporation
Consolidated Statement of Cash Flows
(unaudited)

	For the twelve months ended June 30	
	2016	2015
Operating Activities		
Net income (loss) for the period	\$ (906,135)	\$ (391,877)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization expense	107,718	39,967
Settlements and loss on securities	-	-
Common shares issued	186,920	
Preferred Shares issued	43	50,385
Settlements and loss on securities	-	54,409
Changes in assets and liabilities		
(Increase)/decrease in accrued interest receivable	(58,913)	54,910
(Increase)/decrease in accounts receivable		1,500
(Increase)/decrease in inventory	(1,569)	1,075
Increase/(decrease) in accounts payable	788,789	221,184
Increase/(decrease) in loans from officers	(15,892)	6,416
Increase/(decrease) in loans payable	788,023	356,353
Increase/(decrease) in convertible debentures	100,675	(40,000)
Increase/(decrease) in contingencies		50,000
Net cash (used in) provided by operating activities	<u>989,659</u>	<u>404,322</u>
Investing Activities		
Purchase of furniture & equipment	(3,024)	-
Capitalized services for intellectual property	(1,311,482)	(333,552)
Net cash (used in) provided by investing activities	<u>(1,314,506)</u>	<u>(333,552)</u>
Financing Activities		
Sale of stock in subsidiary	277,687	-
Preferred shares cancelled or converted	(74)	-
Net cash (used in) provided by financing activities	<u>277,613</u>	<u>-</u>
Increase (Decrease) in Cash	(47,234)	70,770
Cash, Beginning of Period	<u>77,129</u>	<u>6,359</u>
Cash, End of Period	\$ <u><u>29,895</u></u>	\$ <u><u>77,129</u></u>

See accompanying notes to these unaudited consolidated financial statements.

MEDIATECHNICS CORPORATION

Notes to Consolidated Financial Statements For the Fiscal Years ended June 30, 2016 and 2015 (unaudited)

1) THE COMPANY AND ITS SIGNIFICANT ACCOUNTING POLICIES

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

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

The unaudited financial statements included herein were prepared from the records of the Company in accordance with Generally Accepted Accounting Principles. These financial statements reflect all adjustments, which are, in the opinion of management, necessary to provide a fair statement of the results of operations and financial position for the quarter ended June 30, 2016. Significant adjustments may be required to conform the financial statements to Generally Accepted Accounting Principles (GAAP) should management choose to seek to have the statements audited.

Acquisitions

There were no significant acquisitions during the current and prior fiscal years.

Principles of Consolidation

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

Use of Estimates

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

Cash & Cash Equivalents

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

Financial Instruments

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

Income Taxes

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

2) INVESTMENT IN MARKETABLE SECURITIES AVAILABLE-FOR-SALE

Marketable Securities

In accordance with FASB 115, the Company is required to report the equity securities held as investments as marketable securities available-for-sale because they can be sold. The Company intends to utilize any proceeds realized from any future sale of equity securities held as investments for payment of expenses related to its operations. Marketable securities available-for-sale are reported at cost and adjusted on the Company's balance sheet for unrealized gains or losses in those securities during reporting periods. There were no marketable securities held for sale at June 30, 2016.

3) NOTES RECEIVABLE

On November 30, 2009, the Company sold all of its interest in MTS/MMC, and issued 100,000 shares of Class M Convertible Preferred Stock (Class M Stock"), to its former president, Richard Wilson and cancelled all shares of all other classes and series of stock held by Mr. Wilson. As part of this transaction the Company received a \$388,800 personal note from Mr. Wilson accruing interest at 9% per annum due December 1, 2012 and subsequently extended until December 31, 2015. The Company also retains an additional receivable from Mr. Wilson in the amount of \$50,010. During the fiscal year ended June 30, 2016 the Company earned interest on the note in the amount of \$15,227. At June 30, 2016 notes receivable were \$438,810 and accrued interest on the notes was \$311,437.

4) INTELLECTUAL PROPERTY – NET

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

Business & Marketing Plans

Acquired in the Evergreen Systems Inc. acquisition on September 19, 2013 as part of the allocated purchase price. The Company began generating revenue from these plans during the quarter ended September 30, 2014. Version 1.0 of the Marketing Plan is being amortized over five (5) years commencing on April 1, 2014 in the amount of \$9,840 per quarter. The company began development of a Version 2.0 Marketing Plan during the current fiscal year. Expenses related to this new plan will be amortized as soon as we begin to implement the new plan.

Lighting Development

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

Website/Mobile Application Development

Research and Development costs to develop the BlazeNow website and mobile applications which are intended to provide product and location specific advertising as well as a mutually beneficial consumer review system for dispensaries and other Cannabis related businesses. The Company began generating revenue from these plans during the quarter ended June 30, 2016. The Plans are being amortized over three (3) years commencing April 20, 2016. This three (3) year period relates solely to Version 1.0. All additional enhancements will begin being amortized with the release of the next full version upgrade.

Extraction Development

Research and Development costs to develop Multi State Cannabinoid Extraction facilities are intended to create an opportunity for the Company to grow significant revenues outside of its BlazeNow subsidiary. Wholesale sales of extracted cannabinoids including Cannabidiol extracts are expected to commence in the last month of Q2 2017 or in early Q3 2017.

The following table summarizes our Intellectual Property amortization at June 30, 2016:

Intellectual Property Amortization				
	Cost	Period Amortization	Accumulated Amortization	Net
Websites				
Placed into Productive Use on 4/20/2016	\$1,069,255	\$68,358	\$68,358	\$0
Additions During Quarter Ended 6/30/2016	58,479	0	0	0
Balance at Year Ended 6/30/2016	1,127,734	68,358	68,358	1,059,376
Marketing Plans				
Balance at 7/1/2015	190,798	0	49,200	0
Additions During Year Ended 6/30/2016	285,000	39,360	39,360	0
Balance at Year Ended 6/30/2016	475,798	39,360	88,559	387,239
Lighting				
Balance at 7/1/2015	123,000	0	0	0
Additions During Year Ended 6/30/2016	0	0	0	0
Balance at Year Ended 6/30/2016	123,000	0	0	123,000
Extraction Development				
Balance at 7/1/2015	0	0	0	0
Additions During Year Ended 6/30/2016	316,500	0	0	0
Balance at Year Ended 6/30/2016	316,500	0	0	316,500
Intellectual Property (Net)	\$2,043,032	\$0	\$156,917	\$1,886,115

5) CONTINGENT LIABILITIES AND LITIGATION

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

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

There is a default judgment on file against the Company in Alameda County, California of approximately \$182,436. The Company is not domiciled in California, has made no appearance in California regarding this matter and intends to vigorously fight any attempt to domesticate the default judgment in Nevada. The Company believes that it is not a proper party to the action and that the courts of the State of California do not have personal jurisdiction over the Company and intends to aggressively fight any attempt to subject it to the jurisdiction of the California court system and intends to file any motions that may become necessary to quash

service for lack of personal jurisdiction. On January 13, 2015 the California court denied plaintiffs motion to require the Company to assign a note receivable to plaintiff. The motion was denied on the grounds that the plaintiff had not made diligent efforts to collect by obtaining a Nevada Judgment.

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

Management received copies of the dismissal request, the entry of the dismissal and the mailing on February 19, 2015.

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

The Company was previously defending a lawsuit in the Superior Court for the City and County of San Francisco arising from the claim of the estate of a former investment advisor to the Company and former customer of our previously held subsidiary, Silverado Mortgage. On May 5, 2016, the Company agreed to settle all claims with plaintiffs for the sum of \$3000. On May 27, 2016 the case was dismissed as to all parties.

6) CONVERTIBLE DEBENTURES

During the quarter ended September 30, 2015 the Company's subsidiary, BlazeNow Inc (f.k.a. Evergreen Systems Incorporated) ("BN") received proceeds of \$134,675 for the issuance of convertible debt and warrants to third-party investors. The convertible debentures have a face value of \$134,675, accrue annual interest at 3.25%, and mature one year after issuance. If all such instruments were converted, the holders would receive shares comprising 3.8% of the outstanding shares of BN, which would serve to reduce the Company's ownership in BN accordingly. The warrants have a two-year contractual term and an aggregate exercise price of \$134,675 which, if exercised, would give the holders an extra 3.7% of the outstanding shares of BN. The Company has accounted for these notes as debt until they are converted into equity.

During the quarter ended December 31, 2015, BN received proceeds of \$66,000 for the issuance of convertible debt and warrants to third-party investors. The convertible debentures have a face value of \$66,000, accrue annual interest at 3.25%, and mature one year after issuance. If all such instruments were converted, the holders would receive shares comprising 0.7% of the outstanding shares of BN. The warrants have a one-year contractual term from the conversion date and an aggregate exercise price of \$25,000 which, if exercised, would give the holders and extra 0.2% of the outstanding shares of BN. The Company has accounted for these notes as debt until they are converted into equity.

During the quarter ended March 31, 2016, BN canceled a debenture in the amount of \$50,000; the transaction was recorded as of March 31, 2016.

During the quarter ended June 30, 2016, BN received proceeds of \$75,000 for the issuance of convertible debt and warrants to third-party investors. The convertible debentures have a face value of \$75,000, accrue annual interest at 3.25%, and mature one year after issuance. If all such instruments were converted, the holders would receive shares comprising 0.9% of the outstanding shares of BN. The warrants have a one-year contractual term from the conversion date and an aggregate exercise price of \$25,000 which, if exercised, would give the holders and extra 0.18% of the outstanding shares of BN. The Company has accounted for these notes as debt until they are converted into equity.

7) COMMON AND PREFERRED STOCK

Common Stock

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

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

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

On June 30, 2016, the Board of Directors, and person having a majority of the voting power entitled to vote, voted to amend the Articles of Incorporation increasing the number of authorized Common Stock shares from 1,497,000,000 to 4,979,000,000.

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

During the fiscal year ended June 30, 2015 the Company issued 159,000,000 shares of Common Stock in conversion of 15,900 shares of Class M Convertible Preferred Stock and 63,750,000 shares of Common Stock in conversion of 25,500 shares of Class J Convertible Preferred Stock and 100,000,000 shares of Common Stock in conversion of 50,000 shares of Class G Convertible Preferred Stock.

The Company has an authorized capitalization of 4,979,000,000 shares of Common Stock with a par value of \$.001.

There were 1,430,453,469 Common Stock shares issued and outstanding on June 30, 2016.

Preferred Stock

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

Class D Convertible Preferred Stock

At June 30, 2016 there were 1,000,000 shares of Class D Convertible Preferred Stock ("Class D Stock") authorized and none issued and outstanding.

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

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

There were no issuances of Class D Stock during the fiscal year ended June 30, 2016.

Class G Convertible Preferred Stock

At June 30, 2016 there were 100,000 shares of Class G Convertible Preferred Stock ("Class G Stock") authorized and 7,500 shares issued and outstanding.

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

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

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

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

On August 22, 2015, the Company cancelled the outstanding 32,500 shares of Class G Convertible Preferred Stock in exchange for 6,500 shares of Class M Convertible Preferred Stock. The company then canceled 1,500 of the Class M shares and returned 7,500 shares of Class G stock to the shareholder.

There were no issuances of Class G Stock during the fiscal year ended June 30, 2016 and the Company intends to convert and cancel the Class G designation.

Class H Convertible Preferred Stock

At June 30, 2016 there were 100,000 shares of Class H Convertible Preferred Stock ("Class H Stock") authorized and 57,500 issued and outstanding.

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

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

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

There were no issuances of Class H Stock during the fiscal year ended June 30, 2016.

Class I Convertible Preferred Stock

At June 30, 2016 there were 1,000,000 shares of Class I Convertible Preferred Stock ("Class I Stock") authorized and 1,000,000 issued and outstanding.

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

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

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

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

There were no issuances of Class I Stock during the fiscal year ended June 30, 2016.

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

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

Date	Voting Percentage
12/31/2013	0.0%
6/30/2015	73.3%
6/30/2016	67.7%

Class J Convertible Preferred Stock

At June 30, 2016 there were 500,000 shares of Class J Convertible Preferred Stock ("Class J Stock") authorized and 86,595 shares issued and outstanding.

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

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

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

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

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

On April 18, 2016, the Company converted 25,500 shares of Class J Convertible Preferred Stock into 63,750,000 Common Shares of the company

There were no issuances of Class J Stock during the fiscal year ended June 30, 2016.

Class M Convertible Preferred Stock

At June 30, 2016, there were 200,000 shares of Class M Convertible Preferred Stock ("Class M Stock") authorized and 95,152 issued and outstanding.

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

On September 19, 2013 and again on April 29, 2014, the Board of Directors voted to increase the Class M Stock conversion ratio to ten thousand (10,000) shares of Common Stock per every one (1) share of Class M Stock irrespective of the trading price of the Common Stock. As of June 30, 2016 Holders of Class M Stock have the right to convert to Common Stock at a ratio of ten thousand (10,000) shares of Common Stock per every one (1) share of Class M Stock irrespective of the trading price of the Common Stock.

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

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

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

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

On July 10, 2015 the Company issued 29,000 shares of Class M in exchange for the cancellation of \$156,000 owed in Short Term Notes for Accrued Officer Compensation.

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

On August 22, 2015, the Company issued 6,500 shares of Class M Convertible Preferred Stock in exchange for the return and cancellation of 32,500 shares of Class G Convertible Preferred Stock. The company then canceled 1,500 of the Class M shares and returned 7,500 shares of class G to the shareholder.

On December 15, 2015, the Company issued 2,592 shares of Class M Convertible Preferred Stock as compensation for \$15,500 owed to a consultant for services rendered to the Company.

On February 22, 2016, the Company converted 6,500 shares of Class M Convertible Preferred Stock into 65,000,000 Common Shares of the company.

On June 15, 2016, the Company converted 5,700 shares of Class M Convertible Preferred Stock into 57,000,000 Common Shares of the company.

Class X Convertible Preferred Stock

At June 30, 2016 there were 100,000 shares of Class X Convertible Preferred Stock ("Class X Stock") authorized and 100,000 shares issued and outstanding.

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

Each share of Class X Stock has a face value of \$0.50 (the "Face Value") and pays a 9% cash dividend. In the event that the Company fails to pay dividends owed in a timely manner after June 30, 2011, the cash dividend rate will increase to 12%. Class X Stock has a liquidation preference over all other classes of stock other than Class Z.

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

Holders of Class X Stock may convert their Class X Stock into shares of Common Stock on demand, which may not be denied for any reason. The conversion right is based upon a variable ratio based upon the following calculation: Total Outstanding Common Shares at Conversion Date x 0.00000125 x Class X shares being converted. In no event may the conversion ratio be less than 500 Common shares per Class X Share converted. In the event that the Company shall at any time subdivide the outstanding shares of Common Stock, or shall issue a stock dividend on the outstanding Common Stock, the Minimum Conversion Ratio in effect immediately prior to such subdivision or the issuance of such dividend shall be proportionately increased, and in the event that the Company shall at any time combine the outstanding shares of Common Stock, the Minimum Conversion Ratio in effect immediately prior to such combination shall remain as stated herein above and shall continue to remain unchanged through any subsequent combination or combinations. Notwithstanding the above, in no event shall the effective conversion ratio, whether the Conversion Ratio or the Minimum Conversion Ratio, be less than 0.00025% of the total number shares of Common Stock outstanding at the time of the Conversion Demand.

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

On October 22, 2015, the Company converted and canceled 19,000 shares of Class X Convertible Preferred Stock in exchange for 59,128,000 shares of Common Stock in error. On January 21, 2016, the Company corrected this error, reversing the October 22, 2015 Class X Convertible Preferred Stock conversion, thereby cancelling the issuance of 59,128,000 shares of Common Stock and adding back 19,000 Class X shares on the books of the Company.

The following table lists the Class X dividend amounts owed for respective period listed therein during the fiscal years ended June 30, 2015 & 2016. These dividend amounts are accruing.

Fiscal Year	Class X Dividend
2015	\$6,373
2016	\$6,979

Class Y Convertible Preferred Stock

At June 30, 2016 there were 3,000 Shares of Class Y Convertible Preferred Stock ("Class Y Stock") authorized and 800 issued and outstanding.

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

On February 20, 2015 and again on April 20th, 2015, the Board of Directors voted to authorize 3,000 shares of Class Y Stock convertible at a ratio of six hundred and twenty five thousand (625,000) shares of Common Stock per every one (1) share of Class Y Stock irrespective of the trading price of the Common Stock. As of June 30, 2016 Holders of Class Y Stock have the right to convert to Common Stock at a ratio of six hundred and twenty five thousand (625,000) shares of Common Stock per every one (1) share of Class Y Stock irrespective of the trading price of the Common Stock.

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

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

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

There were no issuances of Class Y Stock during the fiscal year ended June 30, 2016.

Class Z Convertible Preferred Stock

At June 30, 2016 there were 200,000 Preferred Shares Class Z Convertible Preferred Stock ("Class Z Stock") authorized and 46,263 issued and outstanding.

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

On January 15, 2016, the Company issued 143,543 shares of Class Z Convertible Preferred Stock as compensation for \$ 771, 244 owed to consultants for services rendered to its subsidiary, Evergreen Systems Inc in the development and launch of the BlazeNow platform. This share issuance was reversed and the debt was returned to the books of Evergreen systems Inc.

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

Holders of Class Z Stock may convert their Class Z Stock into shares of Common Stock on demand. The conversion right is based upon a variable ratio wherein the Face Value is divided by the greater of, fifty percent (50%) of the low bid price of the Common Stock during the one (1) year period preceding any demand for

conversion, or \$0.0005, however, in no event shall the number by which the Face Value is divided be greater than \$0.004

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

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

The following table lists all of the shares of Class Z Stock that were issued as a dividend and the respective dividend amount during the respective period listed therein during the fiscal years 2015 & 2016.

Fiscal Year	Class Z Shares Issued	Interest Owed to Z Shareholders
2015	2,403	\$14,409
2016	2,560	\$15,348

Noncontrolling Interest

During the fiscal year ended June 30, 2016, the Company issued an aggregate of 1,472,892 shares of common stock of the Company's subsidiary, BN, representing approximately 3 percent of total equity, in exchange for \$445,650.50 for services and investment. This ownership is reflected as noncontrolling interest in the accompanying consolidated balance sheet and is recorded at its proportionate interest of the carrying value of the subsidiary. The difference between the carrying value of the noncontrolling interest and the amounts paid is reflected as a capital contribution during the fiscal year ended June 30, 2016. Given the timing of the investment, no loss incurred during the fiscal year ended June 30, 2016 was attributed to the noncontrolling interest as the effects are immaterial.

8) SUBSIDIARY EVENTS

On March 1, 2016, the Company filed for Regulation D with the SEC (Securities and Exchange Commission). The Company intends to issue 2,000,000 Common shares in exchange for \$1.2M under 506c. In addition, the shareholders of the Evergreen Systems Incorporated, authorized 25,000,000 preferred shares in anticipation of the Company's fund raising activities.

On March 1, 2016, the Company authorized and issued 1,000,000 series A preferred shares to its Chief Executive Officer, Series A preferred shareholders have one thousand (1000) votes relative to Common Stock on any matters put before the Common Stock holders. The transaction transfers control of the Subsidiary (BN) to the Chief Executive Officer.

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

On October 30, 2015, the Company's subsidiary, Evergreen Systems Incorporated, executed a 3.25% convertible debenture in the amount of \$10,000 for a capital infusion on October 30, 2015 necessary to continue Development on BlazeNow. The principal amount of the debenture is convertible into BN Common Stock at \$0.19 per share.

On October 30, 2015, the Company's subsidiary, Evergreen Systems Incorporated, executed a 3.25% convertible debenture in the amount of \$6,000 for a capital infusion on October 30, 2015 necessary to continue Development on BlazeNow. The principal amount of the debenture is convertible into BN Common Stock at \$0.20 per share.

On December 21, 2015, the Company's subsidiary, Evergreen Systems Incorporated, executed a 3.25% convertible debenture in the amount of \$25,000 for a capital infusion on December 21, 2015 necessary to continue Development on BlazeNow. The principal amount of the debenture is convertible into BN Common Stock at \$0.15 per share.

On December 30, 2015, the Company's subsidiary, Evergreen Systems Incorporated, executed a 3.25% convertible debenture in the amount of \$25,000 for a capital infusion on December 30, 2015 necessary to continue Development on BlazeNow. The principal amount of the debenture is convertible into BN Common Stock at \$0.19 per share. This debenture carries with it one year warrants to purchase 100,000 shares of BN Common Stock at a strike price of \$0.25 per-share.

On October 5, 2015, the Company's subsidiary, Evergreen Systems Incorporated, initiated a plan to raise a friends and family round of funding of a maximum of \$600,000 and a minimum of \$25,000 at a price of \$0.19 per-share. Capital is necessary to begin the marketing of BlazeNow and to continue development on additional features of BlazeNow.

On October 26, 2015, the Company's subsidiary, Evergreen Systems Incorporated, executed a Stock Purchase Agreement in the amount of \$50,000 received from an accredited investor as part of the \$600,000 raise. The company has issued 263,158 of BN Common Stock pursuant to this SPA.

On November 4, 2015, the Company's subsidiary, Evergreen Systems Incorporated, executed a Stock Purchase Agreement in the amount of \$25,000 received from an accredited investor as part of the \$600,000 raise. The company has issued 131,579 of BN Common Stock pursuant to this SPA. The following Warrants were granted in association with this SPA: 100,000 shares of BN Common Stock at a strike price of \$.30 per share. Expiration – November 4, 2017.

On November 4, 2015, the Company's subsidiary, Evergreen Systems Incorporated, issued 80,000 of BN Common Stock to the CIO/CFO of one of the largest sports organizations in the world to join the BN Board of Advisors after his investment into the Company. The following Warrants were granted in association with this offer: 160,000 shares of BN Common Stock at a strike price of \$.25 per share. Expiration – May 4, 2017.

On January 16, 2016, the Company's subsidiary, Evergreen Systems Incorporated, issued warrants to purchase BN Common Stock to a former president of Capital Records in exchange for him joining the BN Board of Advisors. The following Warrants were granted in association with this offer: 200,000 shares of BN Common Stock at a strike price of \$.20 per share. Expiration – January 16, 2017.

On January 15, 2016, the Company's subsidiary, Evergreen Systems Incorporated, cancelled a 3.25% convertible debenture in the amount of \$50,000 and its associated interest and warrants. The amount was returned to the books of the company under short term notes to be settled future date.

On January 15, 2016, the Company's subsidiary, BlazeNow Inc (f.k.a. Evergreen Systems Incorporated), cancelled a 3.25% convertible debenture in the amount of \$20,000 and its associated interest and warrants. The amount was returned to the books of the company under short term notes to be settled future date.

On March 1, 2016 the Company's subsidiary, BlazeNow Inc (f.k.a. Evergreen Systems Incorporated) amended its Articles of Incorporation with the state of Nevada, authorizing 25,000,000 shares of Preferred Stock.

On March 1, 2016, the Company's subsidiary, BlazeNow Inc (f.k.a. Evergreen Systems Incorporated) designated and issued 1 million shares of a new class of preferred stock called Series A Preferred Stock. Stockholders shall be entitled to vote on all matters requiring a shareholder vote of the Corporation and each shareholder of record

of Series A Stock shall have one thousand (1,000) votes for each Series A share outstanding in his or her name on the books of the Corporation relative to each Common Stock share.

During the fiscal year ended June 30, 2016 the Company's subsidiary, BlazeNow Inc (f.k.a. Evergreen Systems Incorporated), executed Subscription Agreements in the total amount of \$136,000 received from accredited investors as part of the \$1.2MM 506c raise. The company plans to issue 226,667 of BN Common Stock pursuant to these Subscription Agreements.

During the fiscal year ended June 30, 2016 the Company's subsidiary, BlazeNow Inc (f.k.a. Evergreen Systems Incorporated) issued 321,667 shares of BN Common Stock to accredited investors who invested in the 506c.

During the fiscal year ended June 30, 2016 the Company's subsidiary, BlazeNow Inc (f.k.a. Evergreen Systems Incorporated) issued 884,558 shares of BN Common Stock to independent contractors for services provided.

During the fiscal year ended June 30, 2016 the Company's subsidiary, BlazeNow Inc (f.k.a. Evergreen Systems Incorporated) issued 266,667 shares of BN Common Stock to William Rivers in accordance with his Convertible Debenture Conversion Demand whereby he exercised his right to convert the Convertible Debentures held in his name from July 6, 2015 and May 23, 2016.

SUBSIDIARY SUBSEQUENT EVENTS

Subsequent to the quarter ended June 30, 2016, the Company's subsidiary, BlazeNow Inc (f.k.a. Evergreen Systems Incorporated), executed Subscription Agreements in the total amount of \$141,400 received from accredited investors as part of the \$1.2MM 506c raise. The company plans to issue 234,834 of BN Common Stock pursuant to these Subscription Agreements.

9) SUBSEQUENT EVENTS

Subsequent to the end of the fiscal year, on or about:

July 14, 2016 the Company converted and cancelled 57,500 shares of Class H Stock in exchange for 115,000,000 shares of Common Stock.

August 12, 2016, the Company converted and cancelled 7,000 shares of Class M Convertible Preferred Stock into 70,000,000 Common Shares of the company.

July 29, 2016 the Company converted and cancelled 32,000 shares of Class J Convertible Preferred Stock in exchange for 80,000,000 shares of Common Stock.

October 4, 2016 the Company converted and cancelled 8,000 shares of Class M Convertible Preferred Stock into 80,000,000 Common Shares of the company.

October 27, 2016 the Company converted and cancelled 9,600 shares of Class J Convertible Preferred Stock in exchange for 24,000,000 shares of Common Stock.