COASTAL INTEGRATED SERVICES, INC.

FINANCIAL STATEMENTS
September 30, 2016

Coastal Integrated Services, Inc.
BALANCE SHEETS
(unaudited)

	September 30, 2016	December 31, 2015
Assets:		
Current Assets Bugout Assets	$280,000	
Cash	$22,000	$4,083
Total Current Assets	$302,000	$4,083
	-	
Deposit		-
Total Assets	$302,000	$4,083
Liabilities:		
Related Party Loan	115,549	115,549
Note Payable * See explanation note #5	131,205	171,792
Accrued Expenses	9,500	9,500
Total Current Liabilities	256,254	296,841
Total Liabilities	256,254	296,841
Stockholders' Equity:		
Common Stock, 3,500,000,000 authorized, issued and outstanding 2,465,088,032 @.0001 shares	246,509	48,616
Preferred Stock, 20,000,000 Authorized, 10,000,000 issued @.001	10,000	10,000
Additional Paid in Capital	1,582,212	989,724
(Deficit) Accumulated During the Developmental Stage	(1,792,975)	(1,341,098)
Total Stockholders' Equity (Deficit)	45,746	(292,758)
Total Liabilities and Stockholders' Equity	$302,000	$4,083

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

Coastal Integrated Services, Inc.
STATEMENTS OF OPERATIONS
(unaudited)

	For the three months ended September 30, 2016	For the three months ended June 30, 2015
Revenue-Consulting	-	-
Operating Expenses:		
Selling, General and Administrative Expenses	451,877	13,350
Total Operating Expenses	451,877	13,350
Operating Profit (Loss)	(451,877)	(13,350)
Net Profit (Loss)	$(451,877)	(13,350)
Net (loss) Profit per Share	(0.00)	(0.00)
Weighted Average Shares Outstanding	2,465,088,032	352,487,904

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

Coastal Integrated Services, Inc.
STATEMENT OF STOCKHOLDERS' EQUITY
(unaudited)

	Common Shares	Total	Additional Paid in Capital	Preferred Stock	Retained Earnings	Total
Balance December 31, 2014	352,487,904	35,249	(20,249)	10,000	(260,790)	(235,790)
Stock issued for debt	573,670,006	57,367	892,973			892,973
Shares issued for services	60,000,000	6,000	222,000	-		228,000
Net loss for the year					(1,080,308)	(1,080,308)
Balance December 31, 2015	486,157,910	48,616	989,724	10,000	(1,341,098)	(292,758)
Shares issued for services	1,978,930,124	197,893	375,600			439,500
Net loss for the period					(451,877)	(451,877)
Balance Sept. 30, 2016	2,465,088,032	246,509	1,470,324	10,000	(1,792,975)	(305,135)

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

Coastal Integrated Services, Inc.
STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the three months ended Sept. 30, 2016	For the three months ended June 30, 2015
CASH FLOW FROM OPERATING ACTIVITES:		
Net Profit (Loss) for the Period	$(171,877)	$(32,725)
Adjustments to reconcile net loss to net cash used by operating activities:		
Stock issued for services	40,000	-
Increase in Interest Expense		
Increase (Decrease) in Accrued Expenses	-	-
Increase in Deposits	22,000	-
Net Cash Provided from Operating Activities	(109,877)	$(32,725)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Equipment	-	-
Net Cash Used by Investing Activities	-	-
CASH FLOWS FROM FINANCING ACTIVITIES:		
Loans from Related Party	-	29,206
Loans from third parties	7,475	-
Net Cash Used by Financing Activities	7,475	28,206
Net (Decrease) Increase in Cash	20,881	(3,519)
Cash at Beginning of Period	1,119	5,169
Cash at End of Period	$22,000	$1,650
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for:		
Interest	$ -	$ -
Stock issued for Debt	-	$ -

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

Coastal Integrated Services, Inc.
NOTES TO FINANCIAL STATEMENTS
September 30, 2016
(unaudited)

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Simply Lids (the "Company") was incorporated on August 27, 2013. On May 30, 2014 the Company entered into a share exchange agreement with Coastal Integrated Services, a publicly traded company, incorporated in Wyoming. The Company has developed a patent pending leak resistant, re-closable lid designed to provide the ultimate drinking experience. The Company recently purchase the assets of a pet feeding system for the pet market.

NOTE 2 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(A)Basis of Presentation

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

(B) Use of Estimates

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and revenues and expenses during the reported period. Actual results could differ from those estimates. Significant estimates include estimated useful lives and potential impairment of property and equipment, estimate of fair value of share based payments and derivative instruments and recorded debt discount, valuation of deferred tax assets and valuation of in-kind contribution of services and interest.

(C) Cash and Cash Equivalents

The Company considers all highly liquid temporary cash investments with an original maturity of three months or less to be cash equivalents. At September 30, 2016 and December 31, 2015, the Company had no cash equivalents.

(D) Loss Per Share

In accordance with the accounting guidance now codified as FASB ASC Topic 260, "Earnings per Share" basic loss per share is computed by dividing net loss by weighted average number of shares of common stock outstanding during each period. Diluted loss per share is computed by dividing net loss by the weighted average number of shares of common stock, common stock equivalents and potentially dilutive securities outstanding during the period.

The computation of basic and diluted loss per share at September 30, 2016 excludes the common stock equivalents of the following potentially dilutive securities because their inclusion would be anti-dilutive:

(E) Operating Leases

The Company leases office space on a month to month basis for $1,750 per month. Total cost included in general and administrative expenses was $5,250 for 2016 and for 2015.

(F) Business Segments

The Company operates in one segment and therefore segment information is not presented.

(G) Revenue Recognition

The Company will recognize revenue on arrangements in accordance with FASB ASC No. 605, "Revenue Recognition". In all cases, revenue is recognized only when the price is fixed and determinable, persuasive evidence of an arrangement exists, the service is performed and collectability of the resulting receivable is reasonably assured.

(H) Fair Value of Financial Instruments

The Company applies the accounting guidance under Financial Accounting Standards Board ("FASB") ASC 820-10, *"Fair Value Measurements"*, as well as certain related FASB staff positions. This guidance defines fair value as the price that would be received from m selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact business and considers assumptions that marketplace participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance.

The guidance also establishes a fair value hierarchy for measurements of fair value as follows:

- Level 1 - quoted market prices in active markets for identical assets or liabilities.
- Level 2 - inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 - unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The Company's financial instruments consist of accounts payable, accrued expenses, notes payable, notes payable - related party, loan payable - related party, convertible notes payable, convertible notes payable - related party and deferred rent payable. The carrying amount of the Company's financial instruments approximates their fair value as of September 30, 2016 and December 31, 2015, due to the short-term nature of these instruments.

The Company accounts for its derivative liabilities, at fair value, on a recurring basis under level 3 (see Note 8).

(I) Embedded Conversion Features

The Company evaluates embedded conversion features within convertible debt under ASC 815 "Derivatives and Hedging" to determine whether the embedded conversion feature(s) should be bifurcated from the host instrument and accounted for as a derivative at fair value with changes in fair value recorded in earnings. If the conversion feature does not require derivative treatment under ASC 815, the instrument is evaluated under ASC 470-20 "Debt with Conversion and Other Options" for consideration of any beneficial conversion features.

(J) Derivative Financial Instruments

Fair value accounting requires bifurcation of embedded derivative instruments such as conversion features in convertible debt or equity instruments, and measurement of their fair value for accounting purposes. In determining the appropriate fair value, the Company uses the Black-Scholes option-pricing model. In assessing the convertible debt instruments, management determines if the convertible debt host instrument is conventional convertible debt and further if there is a beneficial conversion feature requiring measurement. If the instrument is not considered conventional convertible debt, the Company will continue its evaluation process of these instruments as derivative financial instruments.

Once determined, derivative liabilities are adjusted to reflect fair value at each reporting period end, with any increase or decrease in the fair value being recorded in results of operations as an adjustment to fair value of

derivatives. In addition, the fair value of freestanding derivative instruments such as warrants, are also valued using the Black-Scholes option-pricing model.

(K) Beneficial Conversion Feature

For conventional convertible debt where the rate of conversion is below market value, the Company records a "beneficial conversion feature" ("BCF") and related debt discount.

When the Company records a BCF, the relative fair value of the BCF is recorded as a debt discount against the face amount of the respective debt instrument (offset to additional paid in capital) and amortized to interest expense over the life of the debt.

(L) Debt Issue Costs and Debt Discount

The Company may record debt issue costs and/or debt discounts in connection with raising funds through the issuance of debt. These costs may be paid in the form of cash, or equity (such as warrants). These costs are amortized to interest expense over the life of the debt. If a conversion of the underlying debt occurs, a proportionate share of the unamortized amounts is immediately expensed.

(M) Stock-Based Compensation - Non Employees

Equity Instruments Issued to Parties Other Than Employees for Acquiring Goods or Services

The Company accounts for equity instruments issued to parties other than employees for acquiring goods or services under guidance of Sub-topic 505-50 of the FASB Accounting Standards Codification ("Sub-topic 505-50").

Pursuant to ASC Section 505-50-30, all transactions in which goods or services are the consideration received for the issuance of equity instruments are accounted for based on the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The measurement date used to determine the fair value of the equity instrument issued is the earlier of the date on which the performance is complete or the date on which it is probable that performance will occur. If the Company is a newly formed corporation or shares of the Company are thinly traded the use of share prices established in the Company's most recent private placement memorandum ("PPM"), or weekly or monthly price observations would generally be more appropriate than the use of daily price observations as such shares could be artificially inflated due to a larger spread between the bid and asked quotes and lack of consistent trading in the market.

The fair value of share options and similar instruments is estimated on the date of grant using a Black-Scholes option-pricing valuation model. The ranges of assumptions for inputs are as follows:

- Expected term of share options and similar instruments: Pursuant to Paragraph 718-10-50-2(f)(2)(i) of the FASB Accounting Standards Codification the expected term of share options and similar instruments represents the period of time the options and similar instruments are expected to be outstanding taking into consideration of the contractual term of the instruments and holder's expected exercise behavior into the fair value (or calculated value) of the instruments. The Company uses historical data to estimate holder's expected exercise behavior. If the Company is a newly formed corporation or shares of the Company are thinly traded the contractual term of the share options and similar instruments is used as the expected term of share options and similar instruments as the Company does not have sufficient historical exercise data to provide a reasonable basis upon which to estimate expected term.

- Expected volatility of the entity's shares and the method used to estimate it. Pursuant to ASC Paragraph 718-10-50-2(f)(2)(ii) a thinly-traded or nonpublic entity that uses the calculated value method shall disclose the reasons why it is not practicable for the Company to estimate the expected volatility of its share price, the appropriate industry sector index that it has selected, the reasons for selecting that particular index, and how it has calculated historical volatility using that index. The Company uses the average historical volatility of the comparable companies over the expected

contractual life of the share options or similar instruments as its expected volatility. If shares of a company are thinly traded the use of weekly or monthly price observations would generally be more appropriate than the use of daily price observations as the volatility calculation using daily observations for such shares could be artificially inflated due to a larger spread between the bid and asked quotes and lack of consistent trading in the market.

- Expected annual rate of quarterly dividends. An entity that uses a method that employs different dividend rates during the contractual term shall disclose the range of expected dividends used and the weighted-average expected dividends. The expected dividend yield is based on the Company's current dividend yield as the best estimate of projected dividend yield for periods within the expected term of the share options and similar instruments.

- Risk-free rate(s). An entity that uses a method that employs different risk-free rates shall disclose the range of risk-free rates used. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for periods within the expected term of the share options and similar instruments.

Pursuant to ASC paragraph 505-50-25-7, if fully vested, non-forfeitable equity instruments are issued at the date the grantor and grantee enter into an agreement for goods or services (no specific performance is required by the grantee to retain those equity instruments), then, because of the elimination of any obligation on the part of the counterparty to earn the equity instruments, a measurement date has been reached. A grantor shall recognize the equity instruments when they are issued (in most cases, when the agreement is entered into). Whether the corresponding cost is an immediate expense or a prepaid asset (or whether the debit should be characterized as contra-equity under the requirements of paragraph 505-50-45-1) depends on the specific facts and circumstances. Pursuant to ASC paragraph 505-50-45-1, a grantor may conclude that an asset (other than a note or a receivable) has been received in return for fully vested, non-forfeitable equity instruments that are issued at the date the grantor and grantee enter into an agreement for goods or services (and no specific performance is required by the grantee in order to retain those equity instruments). Such an asset shall not be displayed as contra-equity by the grantor of the equity instruments. The transferability (or lack thereof) of the equity instruments shall not affect the balance sheet display of the asset. This guidance is limited to transactions in which equity instruments are transferred to other than employees in exchange for goods or services. Section 505-50-30 provides guidance on the determination of the measurement date for transactions that are within the scope of this Subtopic.

Pursuant to Paragraphs 505-50-25-8 and 505-50-25-9, an entity may grant fully vested, non-forfeitable equity instruments that are exercisable by the grantee only after a specified period of time if the terms of the agreement provide for earlier exercisability if the grantee achieves specified performance conditions. Any measured cost of the transaction shall be recognized in the same period(s) and in the same manner as if the entity had paid cash for the goods or services or used cash rebates as a sales discount instead of paying with, or using, the equity instruments. A recognized asset, expense, or sales discount shall not be reversed if a share option and similar instrument that the counterparty has the right to exercise expires unexercised.

Pursuant to ASC paragraph 505-50-30-S99-1, if the Company receives a right to receive future services in exchange for unvested, forfeitable equity instruments, those equity instruments are treated as unissued for accounting purposes until the future services are received (that is, the instruments are not considered issued until they vest). Consequently, there would be no recognition at the measurement date and no entry should be recorded.

(N) Recent Accounting Pronouncements

In June 2014, FASB issued Accounting Standards Update ("ASU") No. 2014-10, "Development Stage Entities (Topic 915): Elimination of Certain Financial Reporting Requirements, Including an Amendment to Variable Interest Entities Guidance in Topic 810, Consolidation". The update removes all incremental financial reporting requirements from GAAP for development stage entities, including the removal of Topic 915 from the FASB Accounting Standards Codification. In addition, the update adds an example disclosure in Risks and Uncertainties (Topic 275) to illustrate one way that an entity that has not begun planned principal operations could provide information about the risks and uncertainties related to the company's current activities. Furthermore, the update removes an exception provided to development stage entities in Consolidations (Topic 810) for determining whether

an entity is a variable interest entity-which may change the consolidation analysis, consolidation decision, and disclosure requirements for a company that has an interest in a company in the development stage. The update is effective for the annual reporting periods beginning after December 15, 2014, including interim periods therein. Early application with the first annual reporting period or interim period for which the entity's financial statements have not yet been issued (Public business entities) or made available for issuance (other entities). The Company adopted this pronouncement for the three months ended August 31, 2014.

In June 2014, FASB issued Accounting Standards Update ("ASU") No. 2014-12, "Compensation – Stock Compensation (Topic 718); Accounting for Share-Based Payments When the Terms of an Award Provide That a Performance Target Could Be Achieved after the Requisite Service Period". The amendments in this ASU apply to all reporting entities that grant their employees share-based payments in which the terms of the award provide that a performance target that affects vesting could be achieved after the requisite service period. The amendments require that a performance target that affects vesting and that could be achieved after the requisite service period be treated as a performance condition. A reporting entity should apply existing guidance in Topic 718 as it relates to awards with performance conditions that affect vesting to account for such awards. For all entities, the amendments in this ASU are effective for annual periods and interim periods within those annual periods beginning after December 15, 2015. Earlier adoption is permitted. Entities may apply the amendments in this ASU either (a) prospectively to all awards granted or modified after the effective date or (b) retrospectively to all awards with performance targets that are outstanding as of the beginning of the earliest annual period presented in the financial statements and to all new or modified awards thereafter. If retrospective transition is adopted, the cumulative effect of applying this Update as of the beginning of the earliest annual period presented in the financial statements should be recognized as an adjustment to the opening retained earnings balance at that date. Additionally, if retrospective transition is adopted, an entity may use hindsight in measuring and recognizing the compensation cost. This updated guidance is not expected to have a material impact on our results of operations, cash flows or financial condition. We are currently reviewing the provisions of this ASU to determine if there will be any impact on our results of operations, cash flows or financial condition.

In August 2014, the FASB issued Accounting Standards Update "ASU" 2014-15 on "Presentation of Financial Statements Going Concern (Subtopic 205-40) – Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern". Currently, there is no guidance in U.S. GAAP about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern or to provide related footnote disclosures. The amendments in this Update provide that guidance. In doing so, the amendments are intended to reduce diversity in the timing and content of footnote disclosures. The amendments require management to assess an entity's ability to continue as a going concern by incorporating and expanding upon certain principles that are currently in U.S. auditing standards. Specifically, the amendments (1) provide a definition of the term substantial doubt, (2) require an evaluation every reporting period including interim periods, (3) provide principles for considering the mitigating effect of management's plans, (4) require certain disclosures when substantial doubt is alleviated as a result of consideration of management's plans, (5) require an express statement and other disclosures when substantial doubt is not alleviated, and (6) require an assessment for a period of one year after the date that the financial statements are issued (or available to be issued). We are currently reviewing the provisions of this ASU to determine if there will be any impact on our results of operations, cash flows or financial condition.

All other newly issued accounting pronouncements but not yet effective have been deemed either immaterial or not applicable.

NOTE 3 - GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business.

As of September 30, 2016, the Company had an accumulated deficit, minimal sales and limited assets. These factors raise substantial doubt about the Company's ability to continue as a going concern.

While the Company has commenced operations and is generating revenues, the Company's cash position may not be significant enough to support the Company's daily operations. Management intends to raise additional funds by

way of a public or private offering. Management believes that the actions presently being taken to further implement its business plan and generate revenues provide the opportunity for the Company to continue as a going concern. While the Company believes in the viability of its strategy to generate revenues and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon the Company's ability to further implement its business plan and generate revenues.

The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE4- RELATED PARTY TRANSACTIONS

Related Party Loan

At September 30, 2016 the Company was advanced funds by its officers and incurred consulting fees. At June 30, 2016 the Company was indebted to its officers for loans of $31,549 plus consulting fees of $84,000 for a total of $115,549. Terms indicate payment on demand without interest.

Office Space

An officer provides office space to the Company on a month to month basis of $1,750 per month.

Stock Issuance

On October 2, 2015 60,000,000 shares of stock were issued for services to the company's two officers.

In April of 2016 600,000,000 shares were issued for services to the company's two officers.

In April of 2016 500,000,000 shares were issued to resolve a partial payment of $105,000 of issuer's debt, having assumed that debt that was originally incurred by the issuer's subsidiary, Simply Lids.

In September of 2016 400,000,000 shares were issued to its' officers for purchase of assets of pet product.

The Company's preferred stock is issued to one of its officers.

NOTE 5 – NOTE PAYABLE
At Sept. 30, 2016 the Company is obligated on five notes to third parties for $131,205.

There is a July 30, 2012 promissory note by Simply Lids with a principal amount of $2,500 without interest. The Company had assumed responsibility for the note and debt as the parent company.

There is an October, 2012 promissory note by Simply Lids with a principal amount of $4,975 without interest. The Company had assumed responsibility for the note and debt as the parent company.

There is an October 30, 2013 converible promissory note by Simply Lids with a principal amount of $50,000 with an accrued interest at 5% equaling $6,042. The Company had assumed responsibility for the note and debt as the parent company. On about March 29, 2016 the Company issued 200,000,000 shares of common stock in partial payment of $20,000 towards the principal amount of the debt.

There is a November 12, 2013 convertible promissory note by Simply Lids with a principal amount of $55,000 with an accrued interest at 5% equaling $6,646.The Company had assumed responsibility for the note and debt as the parent company. On about March 29, 2016 the Company issued 300,000,000 shares of common stock in partial payment of $30,000 towards the principal amount of the debt.

There is a November 2013 convertible promissory note by Simply Lids with a principal amount of $50,000 with an accrued interest at 5% equaling $6,042. The Company had assumed responsibility for the note and debt as the parent company.

NOTE 6 – STOCKHOLDERS' EQUITY

Common Stock Authorized

The Company is authorized to issue 2,000,000 shares of common stock with a par value of $0.0001.

Common Stock Issued

On August 19, 2015 the Company issued 40,000,000 shares for debt reduction of $8,000. The debt was paid at a chare price of $0.0002. The market price was 0.0182. The Company has recognized a financing cost for the difference between the market price and the cost it was offered for or .018 per share equaling $720,000.

On September 25,2015 the Company issued 33,670,006 shares of stock for a debt reduction of $6,734. The difference between the market price and the conversion price amounted to a financing charge of $60,606.

On October 2, 2015 the Company issued 60,000,000 shares of stock to its two officers for services valued at market price of $0.0038 per share or $228,000

In March of 2016 639,000,000 shares were issued for services valued at market which was $439,500.

In April of 2016 500,000,000 shares were issued to resolve $105,000 of issuer's debt, having assumed that debt that was originally incurred by the issuer's subsidiary, Simply Lids.

Preferred Stock

At March 31, 2016 the Company has authorized 20,000,000 shares of which 10,000,000 are issued. The preferred may be converted to common at 100 shares of common to 1 share of preferred or 100 to 1.

NOTE 7– INCOME TAX

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Net deferred tax assets consist of the following components as of December 31, 2015 are:

	December 31, 2015	December 31, 2014
Deferred Tax Assets – Non-current:		
NOL Carryover	$ 79,823	$57,595
Less valuation allowance	(79,823)	(57,595)

Deferred tax assets, net of valuation allowance	$ -	$ -

The income tax provision differs from the amount of income tax determined by applying the U.S. federal income tax rate to pretax income from continuing operations for the period ended December 31, 2015 due to the following:

	2015	2013
Book Income	$(1,080,308)	$(78,142)
Other nondeductible expenses	1,008,606	-
Valuation allowance	71,702	78,142
	$ -	$ -

At December 31, 2015, the Company had net operating loss carry forwards of approximately $257,492 that may be offset against future taxable income from the year 2015 to 2035. No tax benefit has been reported in the December 31, 2015 financial statements since the potential tax benefit is offset by a valuation allowance of the same amount.

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carry forwards for Federal Income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carry forwards may be limited as to use in future years.

NOTE 8 – SUBSEQUENT EVENTS

Management has evaluated subsequent events pursuant to the requirements of ASC Topic 855 and has determined that no material subsequent events exist.