DIGITAL INFO SECURITY COMPANY

QUARTERLY REPORT
FOR THE PERIOD ENDED
September 30, 2016

FINANCIAL STATEMENTS

Digital Info Security Company
(DIGITAL 7)
7295 Wadsworth Blvd.
Arvada, CO 80003

DIGITAL 7 UNAUDITED BALANCE SHEET &
FINANCIAL STATEMENTS

Issuer's most recent Pro Forma Balance Sheet & Financial Statements for the
3-month period ended September 30, 2016

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Digital 7
(A Development Stage Company) Pro Forma Balance Sheets
(Unaudited subject to change)

	September 30, 2016
ASSETS	
Current assets	
Cash in bank	$ 768
Accounts receivable	
Total Current assets	
Other Assets	
Related Party receivable	23,879
Advance payments on acquisition	7,500
Long term investment	40,154
Total other assets	
Total Assets	$ 72,301
LIABILITIES & STOCKHOLDERS' DEFICIT	
Current liabilities	
Accounts payable	$
Advances payable	*789*
Note payable - related party	9,580
Notes payable	34,300
Total current liabilties	44,699
Stockholders' Deficit	
Preferred stock, 25,000,000 shares with $0.001 par value. No Preferred shares issued or outstanding	
Common stock, 300,000,000 shares with $0.001 par value. 48,983,508 issued outstanding at each period respectively	30,484
Additional paid in capital	29,516
Paid in Capital - Convertible Notes	277,451
Accumulated deficit	(309,819)
Total Stockholders' Deficit	27,632
Total Liabilities and Stockholders' Deficit	$ 72,301

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

Digital 7
(Unaudited subject to change)
(A Development Company)
Pro Forma Statements of Operations

	Three Months Ended September30, 2016
REVENUE	
Income	$ 33,515
Cost of revenues	21,882
GROSS PROFIT	11,633
Operating Expenses:	
Advertising	(2,420)
Automobile	93
Convertible note expense	184,428
Consulting expense	3,000
Goodwill impairment	-
Labor	-
Public company fees	4,000
Rent	-
Repairs and maintenance	-
Travel	-
General and administrative	162
Total operating expenses	189,263
Income (loss) from operations	(177,630)
Other income (expense)	
Interest expense	(434)
Other income (expense) net	(434)
Net income (loss)	$ (178,064)
Net income (loss) per share	
(Basic and fully diluted)	$ (0.00)
Weighted average number of common shares outstanding	38,983,508

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

Digital 7
(Unaudited subject to change)
(A Development Company)
Pro Forma Condensed Statement of Cash Flows

	Period Ended September 30,
	2016
Cash Flows From Operating Activities	
Net Income (Loss)	$ (309,819)
Amortization and Impairment	-
Depreciation	-
Used In Operating Activities	$ (309,819)
Accounts Payable	-
Accounts Receivable	(23,879)
Accruded Interest	9,580
Other Accrued Expenses	789
Changes in Operating Assets and Liabilities	$ (13,510)
Net Cash Used by Investing Activities	$ (323,329)
Increase in Conertible Notes Payable	34,300
Increase in Common Stock	60,000
Increase in Paid in Capital	277,451
Cash Flows from Financing Activities	371,751
Net Increase /(Decrease) in Cash	768
Cash Beginning of Period	-
Cash, End of Period	$ 768

The accompanying notes are anintegral part of these condensed financial statements

Digital 7
(A Development Stage Company)
Condensed Consolidated Statement of Changes in Stockholders ' Deficit
(Unaudited subject to change)

	Common Stock Shares	Amount ($0.001 Par)	Paid in Capital	Consolidation Accounting	Accumulated Equity (Deficit)	Stockholders' Equity (Deficit)
Balances - December 31, 2015	4,992,708	$ 4,993	$ (4,993)	$ 27,000	$ (30,000)	$ (3,000)
New Issue for debts	13,500,000	13,500	(13,500)	(27,000)	30,000	3000
Shares issued for Digital 7	20,490,800	20,490	60,510	-	-	85,000
				-	-	
				-	-	
Offset to convertible notes				277,451		277,451
Net loss for the period					(309,819)	(309,819)
Balances - September 30, 2016	38,983,508	$ 48,983	$ 42,017	$ 277,451	$ (309,819)	$ 27,632

The accompanying notes are an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

NOTE 1 – NATURE OF OPERATIONS AND BASIS OF PRESENTATION

Organization and History

Digital 7, Inc. (the Company" or "Digital 7") was incorporated in the State of Delaware on June 1, 2016. On June 26, 2016, Digital 7, Inc., a Delaware corporation, acquired an ownership interest in Digital 7, Inc., a Colorado Corporation which in turn had acquired total interest in S7 Enterprises, Inc., a Colorado corporation that was closely held. Digital 7, Inc., of Colorado will be the surviving entity.

The Company is a Delaware corporation organized for the purpose of engaging in any lawful business. The Company's acquisition of S7 Enterprises gives it a basis of operations in the data management and storage fields and any other related business activities as of the date of these financial statements. It currently trades on the Pink Sheet under the symbol "DGIFD". The Company's fiscal year end is December 31st.

The financial statements include the Company and its wholly owned subsidiaries; all significant inter- company balances and transactions are eliminated.

Mergers And Acquisitions

On March 27, 2007, D7 Colorado entered into a Share Purchase Agreement with Skye Blue Ventures LLC under which D7 Colorado purchased 2,700,000 shares of Digital Info Security Company, a Delaware Corporation (an unaffiliated company) (D7 Delaware) for $250,000. D7 Colorado also purchased an additional 7,238,487 shares from D7 Delaware for $.01 per share, resulting in D7 Colorado owning over 90% of the outstanding shares of D7 Delaware. The remaining 1,061,516 shares of D7 Delaware were exchanged for shares of D7 Colorado on a one share for one share basis. Additionally, D7 Delaware contributed 1,000,000 shares of its common stock to Tear Drop Golf, a wholly owned subsidiary of D7 Delaware in settlement of liabilities of Tear Drop, and sold Tear Drop Golf to an unaffiliated party for $100. Tear Drop had no assets other than D7 common stock.

Effective March 28, 2007 D7 (Colorado) entered into an Agreement and Plan of Merger with D7 Delaware. Under the Plan, D7 (Colorado) merged into D7 Delaware. The certificate of incorporation and bylaws of D7 Delaware contain provisions identical to the certificate of incorporation and bylaws of D7 Colorado immediately prior to the merger, other than differences permitted by Section 252 of the Delaware General Corporation Law. The merger is intended to constitute a tax-free reorganization pursuant to Section 368(a)(1) of the Internal Revenue Code. D7 Delaware had no assets, and no operations prior to the merger.

On May 21, 2007 D7 executed an agreement with Patron Systems, Inc, to purchase PolicyBridge software and its associated intellectual rights for $285,000. D7 has been a customer of Patron Systems' PolicyBridge software. Patron had announced its intention to D7ontinue servicing PolicyBridge and had reclassified it as a D7ontinued operation in its financial statements. D7 agreed to provide service and support for all current PolicyBridge customers previously served by Patron Systems.

Effective June 30, 2008 D7 purchased the SecureScan software from BeCompliant Corporation for $300,000. SecureScan operates in conjunction with PolicyBridge to provide a complete email surveillance, archival and encryption product.

On December 15, 2015 D7 management approved a reverse stock split of 40 to 1 that became effective on June 15, 2016.

On July 26, 2016 D7 entered into an Agreement and Plan of Merger with Digital 7 Delaware. Under the Plan, D7 merged into Digital 7. The certificate of incorporation and bylaws of D7 Delaware contain provisions identical to the certificate of incorporation and bylaws of Digital 7 immediately prior to the merger, other than differences permitted by Section 252 of the Delaware General Corporation Law. The merger is intended to constitute a tax-free reorganization pursuant to Section 368(a)(1) of the Internal Revenue Code. Digital 7 had no assets, and no operations prior to the merger.

On August 24, 2016 Digital 7(Delaware) executed an Agreement and Plan of Merger with Digital 7 (Colorado) for with the surviving company residing in Colorado. Included in the transaction were the assets acquired by Digital 7 (Colorado) ; included in the transaction were the acquisition of S7 Enterprises, Inc and Data Source Inc. The company acquired all the outstanding shares of companies in exchange for issuing a total of 17.5 million shares of stock for these acquisitions. The company also agreed to assume all liabilities held by the subsidiaries.

As of December 31, 2015, Digital 7 had limited operations, generated limited revenues and therefore continues to be classified as a development stage company. As such, the Company is not and has never been a shell company.

Digital 7 (the Company" or "Digital 7") was incorporated in the State of Delaware on July 28, 2016 as part of a reorg and merger.. On August 15, 2016, Digital 7, a Delaware corporation, acquired an ownership interest in Digital 7, a Colorado Corporation which in turn had acquired total interest in S7 Enterprises, Inc. and Data Sources, Inc., both Colorado corporations that were closely held. Digital 7, of Colorado will be the surviving entity.

The Company is a Colorado corporation organized for the purpose of engaging in any lawful business. The Company's acquisition of S7 Enterprises and Data Source gives it a basis of operations in the data management and storage fields and any other related business activities as of the date of these financial statements. It currently trades on the Pink Sheet under the symbol "DGIFD".

The Company's fiscal year end is December 31st. The Company's financial statements are presented on the accrual basis of accounting.

Data Storage Information (DSI)

Digital 7 DSI is focused on data storage and retrieval utilizing technology and techniques acquired from Data Source Inc. in the recent acquisition. This division will be focusing its attention on the retrieval, storage into modern storage devices, and the integration of our system to work with existing hardware platforms utilizing virtual tape system technology. The company intends to focus its attentions on military, government and other large users of data that have a serious problem of data degradation that must be handled or millions of terabytes of critical data will be lost forever.

The company intends to focus its attention on expanding its existing customer base, which includes the US Air Force and other military facilities to expand into the other branches of the military and sub contractors.

With the inclusion of Digital's Policybridge software, these clients will not only be able to preserve and recover date more efficiently, but they will now be able to access data like never before at today's speeds.

Digital 7 Media Ventures plans to acquire and develop businesses in the media, entertainment industries and cable services industries that are core to our business model These include the acquisition of existing cable operators and the roll up of facilities to build a large customer base. With this collaboration, the company intends upgrade the services to build a large customer base that is internet driven.

Data Compression and IC Integration

Digital 7 has developed a set of commands to incorporate fractal compression into today's high speed devices. The company plans to take these set of instructions and develop an integrated circuit that can provide these instructions to today's devices. The benefits will be that the devices will be able to store more data without having to increase the storage chips, and because the images will be smaller, the devices will be able to upload and download much smaller sized files, giving the benefit of shorter data time with the data carriers. This coupled with cloud storage will allow the company to expand and provide storage for customers directly.

Management, Operations and Risk

The primary focus of Digital 7 during fiscal year 2015 was to restructure the Company's balance sheet and capital

structure while continuing the acquisition of the and development of the divisions described above.

On November 23, 2015, The board convened and voted to approve the changes proposed by James Clark, whcih included the share restructure and acquisition of Data Source and VTS.

On December 14, 2015, the board and majority shareholders approved of a 40 to 1 reverse stock split and it was filed and approved by FINRA and became effective on May, 25 2016.

All of the aforementioned activities involve complex business and financial transactions and there can be no guarantee that the Company will be able to successfully develop its business plan nor complete any or all of the transactions necessary for successful growth.

Volatile market conditions and the ongoing uncertainty of the global economic outlook could stymie any potential growth the Company plans on achieving at any time and increase the pressure on an already strained corporate financial structure. In order to continue the development of its two divisions, the Company must be successful in acquiring the necessary funding it is seeking. The inability to do so will result in the Company experiencing serious delays in implementing its business plan. Any or all of the above uncertainties could have a material adverse effect on the Company. Critical to success will be the ability to attract a strong management team at both the parent company and the divisional levels. As acquisition and financial transactions, even at a basic level, become more complex, the financial and managerial experience of the Company's management team will play a major role in the success or failure of the Company.

Authorized Common Stock

As of December 31, 2015, Digital 7 had an authorized common stock capital of 200,000,000 shares with a par value of $.001. Authorized preferred stands at 25,000,000 shares with a par value of $.001. These numbers remain unchanged as of the date of this filing and the Company has no current plans for any increase thereof.

Issued and Outstanding Common Stock

As of December 31, 2015, Digital 7 had a total of 18,492,708 Common Shares outstanding.

On July 24, 2016, the Company issued 10,000,000 Common Shares in exchange for $10,000 accrued debts owed to James Clark, 1,000,000 shares to Macarthur O. Hill for $10,000 debt owed to the investor, and 1,000,000 shares to Pete Van Dorn for $10,000 debt owed to the investor, and 1,500,000 shares were issued to JJ Ag, for the rights to license Policybridge in the company's future endeavors.

On August 24, 2016, the company issued 20,490,800 shares to acquire 100% control of Digital 7 Colorado.

On August 30, 2016, the company issued 1,000,000 Common Shares in exchange for $3,207.80 in accrued debts owed to MXD, INC., 1,000,000 Common shares in exchange for $2,207.80 in accrued debts owed to BGM International, Inc.

No other Common Shares were issued during the first three quarters of 2016.

The Company has not entered into any agreement to promote its stock nor has it authorized any third party to conduct any type of promotion on its behalf.

Authorized and Issued and Outstanding Preferred Stock

As of June 24, 2016, Digital 7 had authorized 1,000,000 Class A Preferred Shares of which 1,000,000 are outstanding and 30,000 Class DS Preferred Shares of which 20,000 are outstanding.

Transfer Agent

During the quarter ended December 31, 2015, the Company's transfer agent, Mountain Stock Transfer, and the Company have reconciled the transfer agent records with the records of the Company and those of the State of Colorado.

Additional Organizational Items

None

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

The Company considers all cash on hand, cash accounts not subject to withdrawal restrictions or penalties and all highly liquid investments with an original maturity of three months or less as cash equivalents.

Revenue recognition

The Company has realized minimal revenues from operations. The Company recognizes revenues when the sale and/or distribution of products is complete, risk of loss and title to the products have transferred to the customer, there is persuasive evidence of an agreement, acceptance has been approved by the customer, the fee is fixed or determinable based on the completion of stated terms and conditions, and collection of any related receivable is probable. Net sales will be comprised of gross revenues less expected returns, trade D7ounts, and customer allowances that will include costs associated with off-invoice markdowns and other price reductions, as well as trade promotions and coupons. The incentive costs will be recognized at the later of the date on which the Company recognized the related revenue or the date on which the Company offers the incentive.

Basic and Diluted Loss per Share

The Company computes loss per share in accordance with "ASC-260," "Earnings per Share" which requires presentation of both basic and diluted earnings per share on the face of the statement of operations. Basic loss per share is computed by dividing net loss available to common shareholders by the weighted average number of outstanding common share during the period. Diluted loss per share gives effect to all dilutive potential common shares outstanding during the period. Diluted loss per share excludes all potential common shares if their effect is anti-dilutive.

Income Taxes

The Company accounts for income taxes pursuant to ASC 740. Under ASC 740 deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss carryforwards 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.

The Company maintains a valuation allowance with respect to deferred tax asset. Greenhouse Solutions establishes a valuation allowance based upon the potential likelihood of realizing the deferred tax asset and taking into consideration the Company's financial position and results of operations for the current period. Future realization of the deferred tax benefit depends on the existence of sufficient taxable income within the carry-forward period under Federal tax laws.

Changes in circumstances, such as the Company generating taxable income, could cause a change in judgment about the reliability of the related deferred tax asset. Any change in the valuation allowance will be included in income in the year of the change estimate.

Carrying Value, Recoverability and Impairment of Long-Lived Assets

The Company has adopted paragraph 360-10-35-17 of FASB Accounting Standards Codification for its long-lived assets. The Company's long –lived assets are reviewed for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable.

The company assesses the recoverability of its long-lived assets by comparing the projected unD7ounted net cash flows associated with the related long-lived asset or group of assets over their remaining estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. Fair value is generally determined using the assets expected future D7ounted cash flows or market value, if readily determinable. If long-lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long-lived assets are depreciated over the newly determined remaining estimated useful lives.

The Company considers the following to be some examples of important indicators that may trigger an impairment review; (i) significant under-performance or losses of assets relative to expected historical or projected future operating results; (ii) significant changes in the manner or use of assets or in the Company's overall strategy with respect to the manner of use of the acquired assets or changes in the Company's overall business strategy; (iii) significant negative industry or economic trends; (iv) increased competitive pressures; (v) a significant decline in the Company's stock price for a sustained period of time; and (vi) regulatory changes. The Company evaluates acquired assets for potential impairment indicators at least annually and more frequently upon the occurrence of such events.

The impairment charges, if any, are included in operating expenses in the accompanying statements of operations.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and D7losure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Management bases its estimates on historical experience and on various assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources.

The Company's significant estimates include income taxes provision and valuation allowance of deferred tax assets; the fair value of financial instruments; the carrying value and recoverability of long-lived assets, and the assumption that the Company will continue as a going concern. Those significant accounting estimates or assumptions bear the risk of change due to the fact that there are uncertainties attached to those estimates or assumptions, and certain estimates or assumptions are difficult to measure or value.

Management regularly reviews its estimates utilizing currently available information, changes in facts and circumstances, historical experience and reasonable assumptions. After such reviews, and if deemed appropriate, those estimates are adjusted accordingly. Actual results could differ from those estimates.

Fair value of Financial Instruments

The estimated fair values of financial instruments were determined by management using available market information and appropriate valuation methodologies. The carrying amounts of financial instruments including cash approximate their fair value because of their short maturities.

Long Lived Assets

In accordance with ASC 350 the Company regularly reviews the carrying value of intangible and other long lived

assets for the existence of facts or circumstances both internally and externally that suggest impairment. If impairment testing indicates a lack of recoverability, an impairment loss is recognized by the Company if the carrying amount of a long lived asset exceeds its fair value.

Stock-based Compensation

The Company accounts for stock-based compensation issued to employees based on FASB accounting standard for Share Based Payment. It requires an entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). That cost will be recognized over the period during which an employee is required to provide service in exchange for the award – the requisite service period (usually the vesting period). It requires that the compensation cost relating to share-based payment transactions be recognized in financial statements. That cost will be measured based on the fair value of the equity or liability instruments issued. The scope of the FASB accounting standard includes a wide range of share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights, and employee share purchase plans.

Recent pronouncements

Management has evaluated accounting standards and interpretations issued but not yet effective as of March 31, 2016, and does not expect such pronouncements to have a material impact on the Company's financial position, operations, or cash flows.

NOTE 3 – STOCKHOLDER'S DEFICIT

The total number of common shares authorized that may be issued by the Company is 300,000,000 shares with a par value of $0.001 per share. The Company is authorized to issue 25,000,000 shares of preferred stock with a par value of $0.001 per share. As at September 30, 2016 there are no preferred shares issued or outstanding.

As at September 30, 2016 the total number of common shares outstanding was 38,983,508. The Company has an ongoing program of private placements to raise funds to support the operations. During the period ended June 30, 2016 the Company entered into an acquisition agreement with S7 Enterprises, Inc. and Data Source, Inc. whereby certain existing stockholders would surrender their stock and Digital 7 would acquire a 100% working interest in each of the Companies.

NOTE 4 – GOING CONCERN

Even though these financial statements are not audited it is management's opinion that an auditor would express a "going concern" statement. The Company has an accumulated deficit of $309,819 and is solely reliant on raising money for operations by seeking loans and selling its common stock. Based on this there can be no assurances that the Company will be successful in these fund-raising activities.

NOTE 5 – RELATED PARTY RECEIVABLE

As at September 30, 2016 the Company has recorded a total of $23,879 in advances to an officer of the Company. It is the intention of the officer to repay this advance prior to teh end of teh fiscal year or to have an IRS form 1099MISC to convert it to an expense.

NOTE 5 – INCOME TAXES

A reconciliation of the provision for income taxes at the United States federal statutory rate of 34% and a Colorado state rate of 5% compared to the Company's income tax expense as reported is as follows:

		September 30, 2016		December 31, 2015
Net loss before income taxes	$	(309,819)	$	0
Less non-deductible goodwill expense		19,846		0
Less non-deductible convertible note expense		277,451		0
Adjusted net loss before income taxes		(12,522)		0
Income tax rate		39%		39%
Income tax recovery		4,880		0
Valuation allowance change		(4,880)		0
Provision for income taxes	$	-	$	-

The significant components of deferred income tax assets at March 31, 2016 and 2014 are as follows:

			September 30, 2016		December 31, 2015
Net operating loss carry-forward		$	12,522	$	0
Valuation allowance			(12,522)		(0)
Net deferred income tax asset		$	-	$	-

As of December 31, 2015, the Company has no unrecognized income tax benefits. Based on management's understanding of IRC Sec 383 the substantial change in ownership and change in business activities precludes any carry forward of the accumulated net operating losses. The owners of the companies acquired have given assurances that all required tax returns have been timely filed and are not under any ongoing audit procedures..The Company's policy for classifying interest and penalties associated with unrecognized income tax benefits is to include such items as tax expense. No interest or penalties have been recorded during the years ended December 31, 2015 and 2014, and no interest or penalties have been accrued as of September 30, 2016. As of December 31, 2015 and 2014 the Company did not have any amounts recorded pertaining to uncertain tax positions.

NOTE 6 –CONVERTIBLE NOTES PAYABLE

In the Company's ongoing efforts to raise money for acquisitions and operations the Company has received $34,300 in cash and has issued Convertible Notes Payable in like amount. The terms of these notes are (1) they bear an interest rate of 10% compounded annually until conversion or repayment; (2) there are $24,700 face value of Notes that are convertible at the rate of $0.01 per share and $9,600 that are convertible at the rate of $0.03 per share. All references to conversion are to the common stock of the Company. In accordance with PCAOB standards these notes are considered to be a derivative instrument and accordingly have had a conversion expense recorded on the books of the Company of $277,451. This expense was determined using the Black-Scholes valuation model.

There exists a note payable in the amount of $69,709 on the books of S7 Enterprises, Inc. The Company is in the process of verifying and validating the note and any security attached to it.

NOTE 7 – DEPOSITS AGAINST PURCHASE OF BUSINESSES

As at September 30, 2016 the Company has made $7,500 in payments to the owners/stockholders of Data Sources, Inc. and Virtual Tape Storage. These payments are towards the minimum down payment for the purchase of each company. At such time as these payments are completed the purchase agreements will be finalized and recorded on the books of the Company. In the event of failure to meet the down payment requirements the Company will forfeit these payments. The initial unsigned agreements were adopted on June 15, 2016 with a 180 day completion requirement. At present there is an unwritten agreement to extend the completion time as necessary.

NOTE 8 - SUBSEQUENT EVENTS

The Company has investigated and determined that there are no substantive events that have occurred since the end of this reporting period and the date of the filing of theses financial statements.