December 31, 2015

Annual Report

Company Information & Disclosure Statement for

DISCOUNT COUPONS CORPORATION

Submitted on:

February 8, 2017 (as of December 31, 2015)

Submitted pursant to and in accordance with OTC Pink Basic Disclosure Guidelines

(v1.1 April 25, 2013)

Forward–Looking Statements: These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause actual performance and financial results in future periods to differ materially from any projections of future performance or result expressed or implied by such forward-looking statements. At the time of this submission the Company lacks the financial capabilities to meet its financial obligations and its management expects to dilute the Company's shares to raise the necessary operating capital. Based upon industry standards the Company would be considered highly speculative and lacks any competitive advantage over its competition.

OTC Pink Basic Disclosure Guidelines

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

Discount Coupons Corporation (DCOU)

2) Address of the issuer's principal executive offices

Company Headquarters

Address:	15500 Roosevelt Boulevard, Suite 301, Clearwater, Florida 33760
Phone:	877-235-3665
Email:	Keith@discountcoupons.com
Website(s):	Ecomproductsgroup.com

3) Security Information

Trading Symbol:	DCOU	
Exact title and class of securities outstanding:	Common Stock	
CUSIP:	254656101	
Par or Stated Value:	$0.00001 par value	
Total shares authorized:	300,000,000	as of December 31, 2015
Total shares outstanding:	116,300,353	as of December 31, 2015

Trading Symbol:	N/A	
Exact title and class of securities outstanding:	Preferred Stock	
CUSIP:	None	
Par or Stated Value:	$0.00001 par value	
Total shares authorized:	2,000,000	as of: December 31, 2015
Total shares outstanding:	0	as of: December 31, 2015

Transfer Agent

Name:	Cleartrust, LLC
Address:	16540 Point Village Dr., Suite 210
Address:	Lutz, FL 33558
Phone:	813-235-4490

Is the Transfer Agent registered under the Exchange Act Yes: X No: ☐

List any restrictions on the transfer of security: **None**

Describe any trading suspension orders issued by the SEC in the past 12 months. **None**

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

On September 8, 2015, the Company executed a Share Exchange Agreement (the "Agreement") with Vacation Travel Corp. ("Vacation Travel") which provided for the exchange of 54,580,510 of the Company's new issued common stock shares for 15,332,002 common stock shares of Vacation Travel's shareholders representing all of Vacation Travel's outstanding shares.

4) Issuance History

2015 stock transactions

- The Company issued 11,400,00 shares of common stock in exchange for services to consultants. The shares issued to consultants were initially valued at the market price on the date of the grant with the value adjusted periodically if material and are being expensed over the service periods. The aggregate value of the shares issued for services was $329,750;
- The Company issued 54,580,510 common shares as part of the Vacation Travel share exchange on October 1, 2015;
- The Company issued 4,955,089 shares of common stock in exchange for the conversion of loans with a face value of $203,000 plus accrued interest of $44,755;
- The Company issued 1,975,164 shares of common stock in exchange for an accounts payable balance of $98,758;
- The Company issued 194,444 shares of common stock as a result of the exercise of warrants

These shares were not registered in any jurisdictions where they were issued and were issued in reliance on an exemption from registration under Section 4(a) (2) or 3(a) (9) of the Securities Act. The certificates representing these shares contained a legend stating that the shares were not registered under the Securities Act and referred to the restrictions on transferability and sale of the shares under the Securities Act.

2014 stock transactions

- The Company sold 12,500 shares of common stock for $0.60 per share;

- The Company issued 4,910,772 shares of common stock in exchange for services of which 320,000 shares were issued to employees and 4,590,772 shares were issued to consultants. The shares issued to employees for services were valued based on the market price on the date of grant and are being expensed over the service periods. The shares issued to consultants were initially valued at the market price on the date of the grant with the value adjusted periodically if material and are being expensed over the service periods. The aggregate value of the shares issued for services was $1,175,670 of which $676,000 was issued for future services;

- The Company issued 150,000 shares of stock for asset acquisitions, of which 50,000 were valued at the market price of $0.18 per share or $9,000 and 100,000 were valued at the market price of $0.07 per share or $7,000;

- The Company issued 1,137,446 shares of stock in connection with multiple note purchase agreements as describe in Note 7, which were valued at $159,580 based on the market prices on the inception dates of the notes;

- The Company issued 5,123,700 shares of common stock in exchange for the conversion of loans with a face value of $423,722

These shares were not registered in any jurisdictions where they were issued and were issued in reliance on an exemption from registration under Section 4(a) (2) or 3(a) (9) of the Securities Act. The certificates representing these shares contained a legend stating that the shares were not registered under the Securities Act and referred to the restrictions on transferability and sale of the shares under the Securities Act.

5) Financial Statements

The Financial Statements for the years ended December 31, 2015 & 2014 have been attached as an addendum to this OTC Information and Disclosure Statement as of December 31, 2015.

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

Description of the issuer's business operations;

Discount Coupons Corp is an Internet marketing & technology company that operates in two segments; consumer sales ecommerce site ownership & management and full service digital marketing agency services. The Company currently holds several e-commerce assets including, Pricechoppa.com, JustDeals.com, GoCharleston.com, and Tropicalreservations.com. Merchants market discounted goods and services to our members through these various properties. Merchants are provided a Cost Per Acquisition (CPA) type marketing opportunity where they pay a set fee per voucher sold. Consumers purchase discounted vouchers, typically at 50% off retail pricing, which are then redeemed at either the merchants website for products or a local business or services. The Company's long-term plan is to create a profitable global mobile shopping destination by acquiring established quality e-commerce businesses, unifying their platforms, plugging directly into China for product sourcing, and propelling organic growth via propriety online customer acquisition strategies & partnerships.

The agency segment provides businesses with a full range of digital and traditional marketing services including, branding, interactive, advertising, business development, public relations, market research, analytics, photography and creative strategies. Managed interactive marketing channels include social media, search engine optimization, website concepts and development, graphic design, email marketing, social media marketing and search engine marketing.

Date and State (or Jurisdiction) of Incorporation:	Florida Corporation – August 16, 2010
Primary and secondary SIC Codes:	7374 / 7311
Fiscal year end date:	December 31st

7) Describe the Issuer's Facilities

The Company leases office space for its Corporate Headquarters on a month-to-month basis.

The Company owns various ecommerce websites and domains (as outlined in Section 6) and various customer email lists totaling over 5,000,000 emails and over 750,000 active subscribers.

On November 17, 2015 the Company entered into an Agreement with ARJ Ventures, LLC for the lease and subsequent purchase of the domain name www.justdeals.com and the corresponding customer email list of approximately 450,000 subscribers. Under the Agreement, the overall value of the purchase will be determined at a future date based on the revenues generated during 2016. The Company will operate the ecommerce website under a lease arrangement for 2016 and pay the Seller 2% of gross revenues on a monthly basis.

8) Officers, Directors, and Control Persons

A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

Name	Age	Positions & Offices to be Held
Keith Holloway	46	Chief Executive Officer
Douglas Bauer	53	Chief Financial Officer
Carl Dilley	58	Director

Mr. Holloway is the former COO and current CEO of Discount Coupons Corp. Prior to joining DCOU, he was with Lamar Advertising, a publicly traded media company, for 15 years being responsible of expansion of existing markets and entry into new markets.

Mr. Bauer has served in a variety of industries including manufacturing, service, and technology development. In 2009 he co-founded the daily-deal start up CrowdSavings.com, serving as CFO, and then transitioned to CFO of the acquiring Company and was responsible for over 25 acquisitions during that period. Prior to CrowdSavings, Mr. Bauer served as CFO of Powerlinx, Inc. through 2008, a publicly traded power-line technology developer and manufacturer. He began his career at Price Waterhouse Cooper.

Mr. Dilley has served as the President of Island Stock Transfer LLC, a subsidiary of Island Capital Management, LLC since 2003. Mr. Dilley is a Co-founder of Endurance Exploration Group, Inc. and has been its Vice President since January 2013. Mr. Dilley also serves as a Managing Partner of Endeavour Cooperative Partners.

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

   None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

   None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

   None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

   None

C. Beneficial Shareholders. Security Ownership of Certain Beneficial Owners and Management

The following table set forth certain information, as of December 31, 2015 with respect to the beneficial ownership of our outstanding common stock by (i) any holder of more than five percent, (ii) each of our executive officers and directors, and (iii) our directors and executive officers as a group.

Unless otherwise indicated, the business address of each person listed is in care of Discount Coupons Corp, 15500 Roosevelt Blvd, Suite 301 Clearwater, FL 33760. The information provided herein is based upon a list of our shareholders and our records with respect to the ownership of warrants and options to purchase securities in our company. The percentages in the table have been calculated on the basis of treating as outstanding for a particular person, all shares of our common stock outstanding on that date and all shares of our common stock issuable to that holder in the event of exercise of outstanding options, warrants, rights or conversion privileges owned by that person at that date which are exercisable within 60 days of that date. Except as otherwise indicated, the persons listed below have sole voting and investment power with respect to all shares of our common stock owned by them, except to the extent that power may be shared with a spouse.

COMMON STOCK

Name of Stockholder	Amount & Nature of Beneficial Ownership	Percentage of Class (1)
Carl Dilley (2)	15,256,540	13.12%
Keith Holloway (3)	5,406,309	4.65%
Douglas Bauer (4)	1,546,576	1.33%
Officer & Director Total	22,209,425	19.10%
Heather Dilley (5)	17,550,997	15.09%
Christopher J. Floyd (6)	7,029,885	6.04%
R Diamond Associates (7)	7,029,885	6.04%
Beneficial Owners Total	31,610,767	27.17%
Officers, Directors & Beneficial Owner Totals	53,820,192	46.27%

(1) Based on 116,300,353 shares of common stock outstanding

(2) Mr. Dilley serves as a Director

(3) Mr. Holloway is our Chief Executive Officer

(4) Mr. Bauer is our Chief Financial Officer

(5) Mrs. Dilley is not an employee or Director & is wife of Carl Dilley, Director

(6) Mr. Floyd is not an employee or Director of the Company

(7) No knowledge of control person

9) Third Party Providers

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel
Name: Arden Anderson
Firm: Austin Legal Group, APC
Address 1: 3990 Old Town Ave, Suite A-112
Address 2: San Diego, CA 92110
Phone: 619 924 9600
Email: arden@austinlegalgroup.com

Accountant or Auditor
Name: Douglas Bauer
Firm: N/A
Address 1: 15500 Roosevelt Blvd, Suite 301
Address 2: Clearwater, FL 33760

Phone: 813 760 2944
Email: drbauer61@gmail.com

Investor Relations Consultant
Name: Keith Holloway
Firm: Discount Coupons Corp
Address 1: 15500 Roosevelt Blvd, Suite 301
Address 2: Clearwater, FL 33760
Phone: 727 823 3987
Email: keith@discountcoupons.com

10) Issuer Certification

I, Keith Holloway and Douglas Bauer certify that:

1. I have reviewed this Annual Disclosure Statement for the Year Ended December 31, 2015 of Discount Coupons Corporation;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

February 8, 2017

/s/ Keith Holloway
Keith Holloway, Chief Executive Officer

/s/ Douglas Bauer
Douglas Bauer, Chief Financial Officer

ADDENDUM
PAGES 8-39

DISCOUNT COUPONS CORPORATION

ANNUAL FINANCIAL STATEMENTS
AND RELATED FOOTNOTES

FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

TABLE OF CONTENTS

DISCOUNT COUPONS CORPORATION
(a Development Stage Company)
Balance Sheets

		December 31, 2015		December 31, 2014
		(Unaudited)		(Unaudited)
ASSETS				
Current assets				
Cash	$	4,069	$	16,283
Accounts receivable		15,055		11,726
Inventory		8,053		-
Deposits and prepaids		21,595		19,731
Total current assets		48,772		47,740
Property and intangible assets, net of accumulated depreciation		24,925		69,484
Goodwill		653,054		421,626
Other assets		7,016		-
Total assets	$	733,767	$	538,850
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)				
Current liabilities				
Accounts payable	$	244,727	$	289,318
Accrued expenses		303,969		280,970
Notes payable, less related discount		80,000		61,187
Convertible bridge loans		115,002		116,000
Convertible notes payable		52,375		257,000
Total current liabilities		796,073		1,004,475
Stockholders' equity (deficit)				
Preferred stock, $0.00001 par value, 2,000,000 shares authorized; no shares issued and outstanding		-		-
Common stock, $0.00001 par value; 300,000,000 shares authorized, 118,925,353 and 45,820,146 shares issued and outstanding at December 31, 2015 and December 31, 2014, respectively		1,189		458
Additional paid-in capital		11,868,253		10,983,920
Deficit accumulated during the development stage		(11,931,748)		(11,450,003)
Total stockholders' equity (deficit)		(62,306)		(465,625)
Total liabilities and stockholders' equity (deficit)	$	733,767	$	538,850

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

DISCOUNT COUPONS CORPORATION
(a Development Stage Company)
Statements of Operations
(Unaudited)

	For the Years Ended December 31, 2015	For the Years Ended December 31, 2014	Period From August 16, 2010 (Inception) to December 31, 2015
Revenues:			
Third-party revenue	$ 40,531	$ 25,971	$ 380,445
Service & other revenue	181,580	157,567	339,147
Direct revenues	24,936	-	-
Sales refunds	(2,140)	-	(22,140)
Total revenue	244,907	183,538	697,452
Cost of sales	(8,604)	(200)	(28,119)
Gross profit	236,303	183,338	669,333
Operating expenses:			
Research and development	-	-	86,356
Professional fees	301,546	2,279,393	6,885,790
Selling	255,069	135,504	1,720,769
General and administrative	177,422	374,052	1,920,538
Total expenses	734,037	2,788,949	10,613,453
Net operating (loss)	(497,734)	(2,605,611)	(9,944,120)
Other income (expense):			
Interest expense	(56,236)	(865,283)	(1,430,580)
Preacquisition earnings	24,952	-	24,952
Loss on extinguishment of debt	-	-	(662,959)
Gain on extinguishment of debt	29,122	-	29,122
Inducement expense	-	(49,370)	(49,370)
Other income	18,151	-	18,151
Forgiveness of accrued interest	-	6,637	83,056
Total other income (expense)	15,989	(908,016)	(1,987,628)
Net (loss)	$ (481,745)	$ (3,513,627)	$ (11,931,748)
Net loss per share, basic and fully diluted	$ (0.12)	$ (0.12)	
Weighted average number of common shares outstanding, basic and fully diluted	64,211,161	28,386,164	

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

DISCOUNT COUPONS CORPORATION

(a Development Stage Company)
Statement of Changes in Stockholders' Equity (Deficit)
For the Period August 16, 2010 (Inception) to December 31, 2015

	Common Stock		Treasury Stock		Additional Paid-In Capital	Deficit Accumulated During Development Stage	Total
	Shares	Amount	Shares	Amount			
Issuance of common stock on August 16, 2010	5,297,632	$ 53	-	$ -	$ (53)	$ -	$ -
Shareholder contribution to treasury stock	(165,551)	-	165,551	-	-	-	-
Common stock issued in connection with note purchase agreement	1,489,959	14	(165,551)	-	65,902	-	65,916
Net (loss)	-	-	-	-	-	(131,186)	(131,186)
Balance, December 31, 2010	6,622,040	67	-	-	65,849	(131,186)	(65,270)
Shareholder contribution to treasury stock	(375,801)	(4)	375,801	-	-	-	-
Common stock issued in exchange for services	285,377	3	-	-	107,735	-	107,738
Sale of treasury and common stock	2,935,974	29	(375,801)	-	188,971	-	189,000
Common stock issued in connection with note purchase agreement	413,050	4	-	-	155,932	-	155,936
Employee stock option expense	-	-	-	-	439,034	-	439,034
Stock options exercised	66,220	1	-	-	799	-	800
Net (loss)	-	-	-	-	-	(1,117,026)	(1,117,026)

Balance, December 31, 2011	9,946,860	100	-	-	958,320	(1,248,212)	(289,792)
Sale of common stock	775,463	8	-	-	294,192	-	294,200
Common stock issued in exchange for services	272,500	3	-	-	103,547	-	103,550
Employee stock option expense	-	-	-	-	533,756	-	533,756
Stock option expense (non-employees)	-	-	-	-	301,382	-	301,382
Warrants issued in connection with bridge loan financing	-	-	-	-	90,893	-	90,893
Net (loss)	-	-	-	-	-	(1,670,375)	(1,670,375)
Balance, December 31, 2012 (Restated)	10,994,823	111	-	-	2,282,090	(2,918,587)	(636,386)
Common stock issued for future services			-	-	(664,998)	-	(664,998)
Sale of common stock	637,501	6	-	-	282,492	-	282,498
Common stock issued to employees in exchange for services	3,050,000	30	-	-	609,970	-	610,000
Common stock issued to non-employees in exchange for services	4,980,000	50	-	-	2,395,950	-	2,396,000
Common stock issued for business combinations	700,000	7			419,993		420,000
Common stock issued as sales refund	52,632	1	-	-	19,999	-	20,000

-

Notes and accrued interest converted to common stock	1,171,848	12			509,490		509,502
Warrants issued in connection with bridge loan financing	-	-	-	-	77,148	-	77,148
Warrants issued in exchange for services	-	-	-	-	15,000	-	15,000
Employee stock option expense	-	-	-	-	291,120	-	291,120
Stock option expense (non-employees)	-	-	-	-	687,297	-	687,297
Addition of debt conversion options					662,959	-	662,959
Net (loss)	-	-	-	-	-	(5,017,789	(5,017,789)
Balance, December 31, 2013	21,586,804	$ 217	-	$ -	$ 7,588,510	$ (7,936,376	$ (347,649)
Common stock issued for future services			-	-	(676,000)	-	(676,000)
Amortization of stock issued for future services			-	-	1,294,730	-	1,294,730
Sale of common stock	12,500	1	-	-	7,499	-	7,500
Common stock issued to employees in exchange for services	320,000	3	-	-	121,796	-	121,799
Common stock issued to non-employees in exchange for services	4,590,772	46	-	-	1,053,874	-	1,053,920
Common stock issued for business combinations	150,000	2			15,998		16,000

Notes and accrued interest converted to common stock	5,123,700	51			423,671		423,722
Common stock issued as prepaid interest in connection with financing (Note 7)	1,137,446	10	-	-	159,579	-	159,589
Warrants issued as prepaid interest in connection with financing (Note 7)	-	-	-	-	460,770	-	460,770
Options issued to employees	-	-	-	-	22,847	-	22,847
Options issued to non-employees	-	-	-	-	249,583	-	249,583
Warrants and options exercised	12,898,924	128	-	-	2,872	-	3,000
Beneficial conversion feature	-	-	-	-	208,821	-	208,821
Addition of debt conversion options	-	-	-	-	49,370	-	49,370
Net (loss)	-	-	-	-	-	(3,513,627	(3,513,627)
Balance, December 31, 2014	45,802,146	458	-	-	10,983,920	(11,450,003	(465,625)
Amortization of stock issued for future services			-	-	46,271	-	46,271
Warrants and options exercised	194,444	2	-	-	1,942	-	1,944
Common stock issued to non-employees in exchange for services	11,400,000	114	-	-	329,636	-	329,750

Common stock issued for business combinations	54,580,510	545			160,039		160,584
Notes and accrued interest converted to common stock	6,930,253	70			346,445		346,515
Net (loss)	-	-	-	-	-	(481,745	(481,745)
Balance, December 31, 2015	118,925,353	$ 1,189	-	-	$ 11,868,253	$ (11,931,748)	$ (62,306)

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

DISCOUNT COUPONS CORPORATION
(a Development Stage Company)
Statements of Cash Flows
(Unaudited)

	For the Years Ended December 31, 2015	For the Years Ended December 31, 2014	Period From August 16, 2010 (Inception) to December 31, 2015
Cash flows from operations			
Net (loss)	$ (481,745)	$(3,513,627)	$ (11,931,748)
Adjustment to reconcile net loss to net cash used for operating activities:			
Depreciation and amortization	44,559	28,929	112,817
Stock-based compensation	-	-	2,344,737
Stock, options and warrants issued for services	428,796	2,001,060	4,883,091
Stock issued in lieu of refund	-	-	20,000
Interest expense	67,152	865,283	1,364,776
Loss on extinguishment of debt	-	-	662,959
Gain on extinguishment of debt	(29,122)	-	(29,122)
Inducement expense	-	49,370	49,370
Forgiveness of accrued interest	-	(6,637)	(83,056)
Changes in operating assets and liabilities:			
Accounts receivable	(3,329)	(11,726)	(15,055)
Inventory	(8,053)		(8,053)
Deposits and prepaid expenses	(1,864)	(3,382)	(21,596)
Loans to shareholders	(7,016)		(7,016)
Accounts payable and accrued expenses	(21,592)	150,865	520,449
Net cash used for operating activities	(12,214)	(439,865)	(2,137,447)
Cash flows from investing activities			
Net cash received in asset acquisition	-	2,754	47,987
Purchases of computer equipment and software	-	-	(37,150)
Net cash provided by investing activities	-	2,754	10,837
Cash flows from financing activities			
Proceeds from sale of treasury and common stock	-	7,500	839,111
Proceeds from borrowings on notes payable	-	443,722	1,305,768
Proceeds from exercise of stock options	-	3,000	3,800
Principal payments on notes payable	-	(6,000)	(18,000)
Net cash provided by financing activities	-	448,222	2,130,679
Net increase (decrease) in cash	(12,214)	11,111	4,069
Cash, beginning of period	16,283	5,172	-
Cash, end of period	$ 4,069	$ 16,283	$ 4,069
Non-cash investing and financing transactions:			
Common stock issued for asset acquisitions	$ 1,091,610	$ 16,000	$ 1,527,610
Notes payable converted into common stock	$ 346,513	$ 423,670	$ 1,279,674

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

DISCOUNT COUPONS CORPORATION
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS
UNAUDITED
DECEMBER 31, 2015

1. Nature of operations

Discount Coupons Corporation (the "Company") provides web-based advertising and promotion services to the business and consumer community through various websites. Revenue is generated from the sale of discount coupons from its merchant clients to customers registering on the website to receive offers via e-mail. The Company operates globally via the Internet. The Company also manages other daily deal websites for a percentage of revenue.

The Company is a Florida corporation and was organized in August, 2010. Through December, 2015, the Company has been primarily engaged in developing its website and a base of merchant voucher offerings for consumer consumption, recruiting personnel, raising capital, and identifying similar companies for acquisition.

The Company is a new enterprise in the development stage as defined by Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 915, *Development Stage Entities*. This stage is characterized by significant expenditures for the design and development of the Company's offerings. Once the Company's planned principal operations commence, its focus will be on marketing vouchers to the general public through direct marketing and third-party partnerships and affiliations.

2. Going concern

The accompanying financial statements have been prepared on the basis that the Company will continue as a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. Since inception, the Company has primarily devoted its efforts to the development and implementation of its web-based business. Operations have been funded through the private placement of equity securities and debt financing. These successful funding efforts have allowed the Company to reach its current state of development despite incurring losses typical with an emerging technology company. At December 31, 2015 and 2014, the Company had $4,069 and $16,283 in cash, respectively, and $747,301 and $956,735 in negative working capital, respectively. Additionally, for the years ended December 31, 2015 and 2014, the Company incurred net losses of $481,745 and $3,513,627, respectively.

Management anticipates incurring additional losses prior to reaching a positive operating cash flow and intends to finance its operations through additional notes payable and equity funding. Significant additional funding is needed. The Company is in the process of raising capital but there are no assurances such funding will be available.

If adequate funding cannot be obtained, the Company may be unable to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

3. Summary of significant accounting policies

Basis of Presentation

The financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

3. Summary of significant accounting policies (continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the related disclosures. Such estimates and assumptions also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Company's significant accounting estimates include accounting for stock based compensation and the valuation and impairment of intangible assets and goodwill.

Cash and Cash Equivalents

The Company considers short-term interest bearing investments with initial maturities of three months or less to be cash equivalents. The Company maintains its cash in bank deposit accounts, which at times may exceed federally insured limits. The Company believes it is not exposed to any significant credit risk.

Computer Equipment and Software

Computer equipment and software are recorded at cost. Depreciation is provided using the straight-line method over the estimated useful lives of 3 to 5 years.

Long-Lived Assets

In accordance with FASB ASC Topic 360 *"Property, Plant, and Equipment,"* the Company records impairment losses on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. There were no impairment charges during the years ended December 31, 2015 and 2014.

Valuation of Investments in Securities at Fair Value – Definition and Hierarchy

In accordance with GAAP, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (i.e., the "exit price") in an orderly transaction between market participants at the measurement date. In determining fair value, the Company uses various valuation approaches. In accordance with GAAP, a fair value hierarchy for inputs is used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Company. Unobservable inputs reflect the Company's assumptions about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities the Company has the ability to access.

Level 2 - Valuations based on quoted prices in markets that are not active or for which all significant inputs are observable, either directly or indirectly.

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

3. Summary of significant accounting policies (continued)

Valuation of Investments in Securities at Fair Value – Definition and Hierarchy (continued)

The availability of valuation techniques and observable inputs can vary from security to security and is affected by a wide variety of factors including, the type of security, whether the security is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Those estimated values do not necessarily represent the amounts that may be ultimately realized due to the occurrence of future circumstances that cannot be reasonably determined.

Because of the inherent uncertainty of valuation, those estimated values may be materially higher or lower than the values that would have been used had a ready market for the securities existed. Accordingly, the degree of judgment exercised by the Company in determining fair value is greatest for securities categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement in its entirety falls is determined based on the lowest level input that is significant to the fair value measurement.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Company's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Company uses prices and inputs that are current as of the measurement date, including periods of market dislocation. In periods of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

Fair values of financial instruments are estimated using relevant market information and other assumptions. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular instruments. Changes in assumptions or in market conditions could significantly affect the estimates. The carrying amount of our financial assets and liabilities approximates fair value.

Revenue Recognition

Third Party Revenue

Third party revenue arises from transactions in which we are acting as a third party marketing agent and is recognized as the net amount we retain from the sale of Coupons after paying an agreed upon portion of the purchase price to the merchant, excluding applicable taxes and net of estimated refunds for which the merchant's share is recoverable.

Service & Other Revenue

Service & Other revenue arises from transactions generated under service agreements for website management & marketing services, commissions, and advertising revenue; and consists of the gross amount we receive from customers under these agreements excluding applicable taxes.

3. Summary of significant accounting policies (continued)

Direct Revenue

Direct revenue arises from transactions in which we are the merchant of record and consists of the gross amount we receive from the customer, excluding applicable taxes and net of estimated refunds.

Income Taxes

The Company accounts for income taxes in accordance with FASB ASC Topic 740 *"Income Taxes,"* which requires accounting for deferred income taxes under the asset and liability method. Deferred income tax asset and liabilities are computed for the differences between the financial statements and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on the enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce the deferred income tax assets to the amount expected to be realized.

The determination of the Company's provision for income taxes requires significant judgment, the use of estimates, and the interpretation and application of complex tax laws. Significant judgment is required in assessing the timing and amounts of deductible and taxable items and the probability of sustaining uncertain tax positions. The benefits of uncertain tax positions are recorded in the Company's financial statements only after determining a more-likely-than-not probability that the uncertain tax positions will withstand challenge, if any, from tax authorities. When facts and circumstances change, the Company reassesses these probabilities and records any changes in the financial statements as appropriate.

Advertising and Promotion Costs

Advertising and promotion costs are expensed as incurred. Advertising and promotion expense was $89,889 and $15,194 for the years ended December 31, 2015 and 2014, respectively.

Receivables and Credit Policies

The Company's accounts receivable are uncollateralized customer obligations due under normal trade terms requiring payment within 30 days from invoice date. Accounts receivable are stated at the amount billed to the customer, less management's best estimate of an allowance for doubtful accounts and an estimate for sales returns. No interest is applied to past due accounts. Payments of accounts receivable are allocated to the specific invoices identified on the customer's remittance advice or, if unspecified, are applied to the earliest unpaid invoice.

3. Summary of significant accounting policies (continued)

Loss Per Common Share

The Company complies with the accounting and disclosure requirements of FASB ASC 260, *"Earnings Per Share."* Basic earnings per common share ("EPS") calculations are determined by dividing net income by the weighted average number of shares of common stock outstanding during the period. Diluted earnings per common share calculations are determined by dividing net income by the weighted average number of common shares and dilutive common share equivalents outstanding. During periods when common stock equivalents, if any, are anti-dilutive they are not considered in the computation. The Company's common stock equivalents are as follows:

	For The Years Ended December 31,	
	2015	**2014**
Common shares indexed to stock options	1,934,822	1,934,822
Common shares indexed to warrants	4,439,696	4,634,140
Common shares indexed to convertible instruments	342,600	1,137,667
	6,717,118	7,706,629

Stock-Based Compensation

The Company complies with FASB ASC Topic 718 *"Compensation – Stock Compensation,"* which establishes standards for the accounting for transactions in which an entity exchanges its equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity's equity instruments or that may be settled by the issuance of those equity instruments. FASB ASC Topic 718 focuses primarily on accounting for transactions in which an entity obtains employee services in share-based payment transactions and 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 (usually the vesting period). No compensation costs are recognized for equity instruments for which employees do not render the requisite service. The grant-date fair value of employee share options and similar instruments is estimated using option-pricing models adjusted for the unique characteristics of those instruments. If an equity award is modified after the grant date, incremental compensation cost will be recognized in an amount equal to the excess of the fair value of the modified award over the fair value of the original award immediately before the modification. The Company recorded compensation expense of $376,021 and $121,799 during the years ended December 31, 2015 and 2014.

Nonemployee Awards

The fair value of equity instruments issued to a nonemployee is measured by using the stock price and other measurement assumptions as of the earlier date when either: (i) a commitment for performance by the nonemployee has been reached; or (ii) the counterparty's performance is complete. Expenses related to nonemployee awards are generally recognized in the same period as the Company incurs the related liability for goods and services received. The Company recorded compensation expense related to consulting and other professional services of $376,021 and $1,151,920 during the years ended December 31, 2015 and 2014, respectively.

Recently issued Accounting Pronouncements

The Company does not believe that any recently issued or proposed accounting pronouncements not yet adopted will have a material impact on the financial statements.

4. Equipment and software

Computer equipment and intangible assets, net, consisted of the following:

	December 31, 2015	December 31, 2014
Office equipment	$ 896	$ 896
Purchased mailing lists and trademarks	73,600	100,300
Software	36,254	36,254
	110,750	137,450
Less: accumulated depreciation and amortization	(85,825)	(67,966)
	$ 24,925	$ 69,484

Depreciation and amortization expense was $17,859 and $28,929 for the years ended December 31, 2015 and 2014, respectively.

5. Business Combinations

2014 Acquisitions

Go Charleston Deals, LLC

On March 31, 2014, the Company completed its acquisition of the operations of Go Charleston Deals, LLC ("GCD"), which operates a Daily Deal site focusing on merchants and clients in the Charleston, South Carolina market. The Company issued a $50,000 convertible note in exchange for GCD's assets, which include mailing lists and other intangibles. In addition to the note, the company is contingently required to issue the following common stock consideration:

- 25,000 shares if GCD's gross billings exceed $100,000 in the first 12 months after closing; plus
- 25,000 shares if GCD's gross billings exceed $150,000 for the same 12 month period; plus
- 25,000 shares if GCD's gross billings exceed $200,000 for the same 12 month period; plus
- 25,000 shares if GCD's gross billings exceed $250,000 for the same 12 month period

The Company does not believe that it will be required to issue the additional shares. The gross billings for GCD for the six months since the date of acquisition amounted to $35,641.

5. Business Combinations (continued)

All Deals Local, LLC

On March 31, 2014, the Company completed its acquisition of the operations of All Deals Local, LLC ("ADL"), a Daily Deal site focusing on merchants and clients in the Three Village/Port Jefferson area of Long Island, New York. The Company issued a $50,000 convertible note and 50,000 shares of common stock in exchange for ADL's assets, which include cash, mailing lists and other intangibles. In addition to the note, the company is contingently required to issue the following common stock consideration:

- 25,000 shares if GCD's gross billings exceed $75,000 in the first 12 months after closing; plus
- 25,000 shares if GCD's gross billings exceed $100,000 for the same 12 month period

The Company does not believe that it will be required to issue the additional shares. The gross billings for ADL for the six months since the date of acquisition amounted to $26,991.

Outloud Enterprises, LLC

On October 31, 2014, the Company completed its acquisition of the operations of Outloud Enterprises, LLC ("Outloud"), a Daily Deal site focusing on merchants and clients in Orlando, Florida. The Company issued 100,000 shares of common stock in exchange for Outloud's assets, which include cash, mailing lists and other intangibles.

The results of operations for GCD, ADL and Outloud are included in the Statements of Operations from the date of acquisition. In connection with these transactions, the consideration paid, the assets acquired, and the liabilities assumed were recorded at fair value on the date of acquisition, as summarized in the following table.

	GCD	ADL	Outloud
Fair value of total consideration paid:			
Common stock issued upon closing (1)	$	$ 9,000	$ 7,000
Convertible note	50,000	50,000	-
	50,000	59,000	7,000
Fair value of identifiable assets acquired:			
Intangible assets (mailing lists)	32,600	26,700	7,000
Cash	-	2,754	-
Total assets acquired	32,600	29,454	7,000
Fair value of net identifiable assets (liabilities) acquired	32,600	29,454	7,000
Goodwill resulting from transaction	$ 17,400	$ 29,546	$ -

(1) The common stock issued to ADL was valued at $0.18 per share, which was the quoted market price on the date of acquisition. The common stock issued to Outloud Enterprises, LLC was valued at $0.07 per share, which was the quoted market price on the date of acquisition.

5. Business Combinations (continued)

Goodwill of $17,400 and $29,546 for GCD and ADL, respectively, was recorded after adjusting for the fair value of net identifiable assets acquired. There was no goodwill associated with the acquisition of Outloud Enterprises, LLC. The goodwill from the GCD and ADL acquisitions represents the inherent long-term value anticipated from the synergies and business opportunities expected to be achieved as a result of the transaction. The intangible assets are being amortized over their estimated life, currently expected to be three years.

Our unaudited pro forma results of operations for the year ended December 31, 2014 as if the above acquisitions had occurred on January 1, 2014 are as follows. The pro forma information is not indicative of results that would have occurred or which may occur in the future:

REVENUE	$ 211,557
NET LOSS	$(3,521,687)
NET LOSS PER SHARE	$ (0.12)

Conejo Deals Inc.

On July 1, 2014, the Company entered into a Purchase Agreement to acquire the operational assets of Conejo Deals Inc., a daily deal site focusing on merchants and clients in the Los Angeles, California market. The Company is required to pay the following consideration to Conejo Deals Inc.; (a) $750,000, (b) $500,000 convertible note; (c) 100,000 common stock shares and (d) other common stock consideration based on certain gross billing levels. The closing date of the purchase agreement was expected to occur no later than October 20, 2014, and was contingent on the Company having sufficient funds to close. However, since the Company was unable to obtain sufficient funds to close, the agreement was cancelled.

Half Price San Diego, Inc

On July 7, 2014, the Company entered into a Purchase Agreement to acquire the operational assets of Half Price San Diego, LLC, a daily deal site focusing on merchants and clients in the San Diego, California market. Upon closing, the Company is required to pay (a) $40,000 and (b) 75,000 shares of common stock. The closing date of the purchase agreement is expected to occur no later than September 30, 2014, and was contingent on the Company having sufficient funds to close. However, since the Company was unable to obtain sufficient funds to close, the agreement was cancelled.

DISCOUNT COUPONS CORPORATION
(A Development Stage Company)
NOTES TO FINANCIAL STATEMENTS
UNAUDITED
DECEMBER 31, 2015

5. Business Combinations (continued)

Vacation Travel Corp.

On September 8, 2015, we executed a Share Exchange Agreement (the "Agreement") with Vacation Travel Corp. ("Vacation Travel") which provided for the exchange of 54,580,510 of our new issued common stock shares for 15,332,002 common stock shares of Vacation Travel's shareholders representing all of Vacation Travel's outstanding shares. As a result of the share exchange, Vacation Travel's shareholders and our shareholders each own 50% of our outstanding common stock shares.

The results of operations for Vacation Travel are included in the Statements of Operations from the date of acquisition. In connection with these transactions, the consideration paid, the assets acquired, and the liabilities assumed were recorded at fair value on the date of acquisition, as summarized in the following table.

	Vacation Travel
Fair value of total consideration paid:	
Purchase price (1)	$ 160,584
Less: Book value of net assets acquired	(71,530)
Purchase differential	89,054
Allocation of purchase differential:	
Inventory	738
Convertible notes, related party	(52)
Allocation of purchase differential	686
Goodwill resulting from transaction	$ 88,368

(1) The purchase price was based on the fair value of the intangible assets acquired in the exchange.

Goodwill of $88,368 was recorded after adjusting for the fair value of net identifiable assets acquired. The goodwill from the acquisition represents the inherent long-term value anticipated from the synergies and business opportunities expected to be achieved as a result of the transaction.

Our unaudited pro forma results of operations for the year ended December 31, 2015 as if the above acquisition had occurred on January 1, 2015 is as follows. The pro forma information is not indicative of results that would have occurred or which may occur in the future:

REVENUE	$ 245,027
NET LOSS	$ (506,580)
NET LOSS PER SHARE	$ (0.01)

5. Business Combinations (continued)

On August 11, 2015, the Company and ADL agreed to rescind the March 31, 2014 acquisition agreement. As a result of the cancellation of the agreement, the Company returned all intangible assets related to ADL in exchange for the reduction in principal of the convertible note from $50,000 to $6,300. The cancelation of the agreement and the reduction in principal resulted in the Company recording a gain on extinguishment in the amount of $29,122.

6. Convertible bridge loans

During the years ended December 31, 2013 and 2012, the Company issued $176,750 and $206,250, respectively, face value convertible bridge loans to investors ("Bridge Loans"). Of the aggregate $383,000 in Bridge Loans, $11,250 are loans from related parties. The Bridge Loans accrue interest at the rate of 10% per annum and have a original maturity date of August 31, 2013. The debt holders have the option to convert the Bridge Loans into common stock at a fixed conversion price of $0.50 per share. In connection with the Bridge Loans, the Company issued 771,600 common stock purchase warrants to acquire shares of its $0.00001 par value common stock at an exercise price of $0.50 per share.

The Company evaluated the terms and conditions of the Bridge Loans and warrants under the guidance of ASC 815, *Derivatives and Hedging*. The conversion feature met the definition of conventional convertible for purposes of applying the conventional convertible exemption. The definition of conventional contemplates a fixed number of shares being issuable under the arrangement. The instruments are convertible into a fixed number of shares and there are no down round anti-dilution protection features contained in the contracts. Additionally, the warrants did not contain any provisions or features that would preclude equity classification and may be settled with unregistered shares. The Company also evaluated if a beneficial conversion feature existed and determined that it was immaterial.

The following tables reflect the allocation of the proceeds of the Bridge Loans:

Convertible Bridge Loans	Face Value	Face Value	Totals
Proceeds	$ 206,250	$ 176,750	$ 383,000
Paid-in capital (warrants)	(90,893)	(77,149)	(168,042)
Initial Carrying value	$ 115,357	$ 99,601	$ 214,958

Conversion of Bridge Loans

On August 31, 2013 (the maturity date), Bridge Loan holders with an aggregate principal balance of $262,000 converted their notes into 602,596 shares of common stock.

Extension of Bridge Loans

The remaining principal balance of $121,000 was still outstanding as of the maturity date. The holders of these Bridge Loans agreed to extend the maturity date of their Bridge Loans to June 30, 2014 and reduce the conversion price of the Bridge Loans. These amendments gave rise to an extinguishment because the difference in cash flows was greater than 10%. As a result, the Company recorded a loss on extinguishment of debt in the amount of $111,209 in 2013. In addition, during December 2013, $2,000 of the principal was repaid.

6. Convertible bridge loans (continued)

During the year ended December 31, 2014, $3,000 of the principal was repaid. On September 1, 2015, $1,000 of principal was converted into 24,027 shares of common stock. As of December 31, 2015 and December 31, 2014 the outstanding principal balance of the remaining convertible Bridge Loans amounted to $115,000 and $116,000, respectively. As of December 31, 2015 the outstanding Bridge Loans are in default. Interest expense on the Bridge Loans for the year ended December 31, 2015 and 2014 amounted to $11,366, and $11,674, respectively. Accrued interest related to these loans amounted to $34,452 and $23,086 as of December 31, 2014 and December 31, 2013, respectively. As of December 31, 2015 and December 31, 2014, $10,000 of the outstanding loans was from a related party.

7. Convertible notes payable

The following table illustrates the carrying values for the convertible notes payable as of December 31, 2015 and December 31, 2014:

Convertible Notes Payable	December 31, 2015	December 31, 2014
Investor Loans issued in 2010 and 2011	$ 50,000	$ 142,000
Loans issued with business combinations	56,300	100,000
Investor Loans issued in 2014	-	15,000
Related Party Loans	46,075	-
Carrying value	$ 102,375	$ 257,000

Accrued interest related to convertible notes payable amounted to $53,037 and $31,327 as of December 31, 2015 and December 31, 2014, respectively.

Investor loans issued in 2010 and 2011

Between September 27, 2010 and July 21, 2011, the Company issued notes payable to third party investors with an aggregate face value of $447,500 (“Investor Loans”). In connection with the financing, the Company issued 1,062,375 shares of common stock. Of the aggregate $447,500 in Investor Loans, $88,333 were loans from related parties. The notes have a common maturity date of August 31, 2013, payable at face value plus accrued interest at maturity. The notes accrue interest at the rate of 7% per annum.

The common stock issued in connection with financing was valued based on a relative fair value basis generating a debt discount in the amount of $224,063. Interest expense on the Investor Loans for the years ended December 31, 2014 and 2013 amounted to $10,337 and $84,684, respectively, including amortization of the discount of $0 and $59,337, respectively. As of August 31, 2013, the debt discount was fully amortized. During 2013, $10,000 of the principal was repaid.

7. Convertible notes payable (continued):

Modification and conversion of investor loans in 2013

On August 31, 2013 (the maturity date), holders of investor loans with an aggregate principal balance of $247,500 agreed to add a conversion option to the contracts which provided that the principal balance of $247,500 would be convertible into 569,252 shares of common stock. This amounted to a conversion price of approximately $0.43 per share. Additionally, the holders agreed to forgive accrued interest amounting to $60,252. Under ASC 470-50-40-10, when a modification or an exchange of debt instruments adds a substantive conversion option, extinguishment accounting is required. As a result, the Company recorded a loss on extinguishment of debt amounting to $116,176 (the difference between the reacquisition price of $423,928 and the net carrying amount of $307,752). The $247,500 in principal was converted into 569,252 shares of common stock on August 31, 2013.

Extension of investor loans in 2013

The remaining principal balance of $200,000 was still outstanding as of the maturity date. The holders of these Investor Loans agreed to extend the maturity date of their notes to June 30, 2014 and added a conversion option to the notes. These amendments gave rise to an extinguishment because of the addition of a conversion option. As a result, the Company recorded a loss on extinguishment of debt in the amount of $435,574 in 2013.

Modification and conversion of investor loans in 2014

On January 1, 2014, an Investor Loan holder with a principal balance of $5,000 agreed to an amendment that modified the conversion option as an inducement from $0.50 per share to a conversion option in which the principal balance of $5,000 would be convertible into 26,250 shares of common stock. This amounted to a conversion price of approximately $0.19 per share. As a result the Company recorded an inducement charge of in the amount of $1,194. The $5,000 in principal was converted into 26,250 shares of common stock on January 1, 2014.

On February 18, 2014, an Investor Loan holder with a principal balance of $5,000 converted their note into 11,956 shares of common stock.

On March 31, 2014, an Investor Loan holder with a principal balance of $15,000 agreed to modified the conversion option as an inducement from $0.50 per share to a conversion option in which the principal balance of $15,000 would be convertible into 192,575 shares of common stock. This amounted to a conversion price of approximately $0.08 per share. As a result, the Company recorded an inducement charge in the amount of $17,019. The $15,000 in principal was converted into 192,575 shares of common stock on March 31, 2014.

On April 25, 2014, an Investor Loan holder with a principal balance of $20,000 agreed to an amendment that modified the conversion option as an inducement from $0.15 per share to a conversion option in which the principal balance of $20,000 would be convertible into 297,331 shares of common stock. This amounted to a conversion price of approximately $0.07 per share. As a result, the Company recorded an inducement charge of $31,157. The $20,000 in principal was converted into 297,331 shares of common stock on April 25, 2014.

7. Convertible notes payable (continued):

Modification and conversion of investor loans in 2015

On August 11, 2015, Investor Loan holders with an aggregate principal balance of $85,000 agreed to an amendment that modified the conversion option as an inducement from $0.15 per share to $0.05 per shares. This amendment did not result in an inducement charge. The $85,000 plus $29,451 in accrued interest was converted into 2,289,016 shares of common stock on September 1, 2015.

On August 11, 2015, an Investor Loan holder with a principal balance of $7,000 agreed to an amendment that modified the conversion option as an inducement from $0.50 per share to $0.05 per shares. This amendment did not result in an inducement charge. The $7,000 plus $2,171 in accrued interest was converted into 183,415 shares of common stock on September 1, 2015.

In addition to the conversions mentioned above, a principal payment in the amount of $3,000 was made during the year ended December 31, 2014. As of December 31, 2015 and December 31, 2014, the outstanding principal balance of the Investor Loans issued in 2010 and 2011 amounted to $50,000 and $142,000, respectively. As of December 31, 2015 and 2014 these notes are in default.

Loans issued in 2014 in connection with Business Combination

During the year ended December 31, 2014, the Company issued (i) a $50,000 face value convertible note as part of the consideration for the ADL business acquisition ("ADL Note") and (ii) a $50,000 face value convertible note as part of the consideration for the GCD business acquisition ("GCD Note"). Both notes bear an interest rate of 10% and mature in September 2014. The note holders have the option to convert the notes into common stock at a fixed conversion price. The ADL Note has a conversion price of $0.50 per share whereas the GCD Note has a conversion price of $1.00 per share.

The Company evaluated the terms and conditions of the convertible notes under the guidance of ASC 815, Derivatives and Hedging. The conversion features met the definition of conventional convertible for purposes of applying the conventional convertible exemption. The definition of conventional contemplates a fixed number of shares issuable under the arrangement. The instruments were convertible into a fixed number of shares and there were no down round anti-dilution protection features contained in the contracts. The Company was required to consider whether the new hybrid contracts embodied a beneficial conversion feature ("BCF"). Neither of the notes resulted in a BCF because the conversion prices were not in the money on the inception dates.

As part of the cancellation agreement between the Company and ADL discussed in Note 5, the principal of the ADL Note was reduced from $50,000 to $6,300. The cancelation of the agreement and the reduction in principal resulted in the Company recording a gain on extinguishment in the amount of $29,122.

On August 11, 2015, the holder of the GCD Note agreed to an amendment that modified the conversion option as an inducement from $0.50 per share to $0.05 per shares. This amendment did not result in an inducement charge. The $50,000 plus $7,219 in accrued interest was converted into 1,144,384 shares of common stock on September 1, 2015.

As of December 31, 2015 and 2014, the outstanding balance of the ADL and GCD Notes amounted to $6,300 and $100,000, respectively. Interest expense on the ADL Note and GCD Note for the years ended December 31, 2015 and 2014 was $6,868 and $7,781, respectively. As of December 31, 2015 and 2014, these notes are considered in default.

7. Convertible notes payable (continued):

Investor Loans issued in 2014

The following table summarizes the activity related to the investor loans issued in 2014:

Investor Loans issued in 2014	
Issued	$ 393,722
Converted in 2014	(378,722)
Outstanding as of December 31, 2014	15,000
Converted in 2015	(15,000)
Outstanding as of December 31, 2015	$ -

During the year ended December 31, 2014, the Company issued various convertible notes for an aggregate face value of $393,722. Each of the notes bear interest at 10% and mature two months after the date of issuance. The note holders have the option to convert the notes into common stock at a fixed conversion price. The Company also issued common stock, and in connection with some of the notes, common stock warrants, as prepaid interest expense. Of the $393,722 in convertible notes issued, holders of $368,722 in principal immediately converted their notes into common stock. The remaining $15,000 was converted in 2015.

The Company evaluated the terms and conditions of the convertible notes under the guidance of ASC 815, Derivatives and Hedging. The conversion features met the definition of conventional convertible for purposes of applying the conventional convertible exemption. The definition of conventional contemplates a fixed number of shares issuable under the arrangement. The instruments were convertible into a fixed number of shares and there were no down round anti-dilution protection features contained in the contracts. The instruments issued in connection with the $393,722 convertible note financing are detailed in the following table:

7. Convertible notes payable (continued):

Issue Date	Face Value (Proceeds)	Shares Indexed to Conversion Option	Prepaid Interest Shares Issued	Prepaid Interest Warrants Issued
February 1, 2014	$ 50,000	500,000	100,000	-
April 1, 2014	15,000	75,000	200,000	-
April 1, 2014	6,000	74,000	12,000	-
April 11, 2014	7,000	86,000	14,000	-
April 15, 2014	7,000	111,000	14,000	-
April 22, 2014	10,000	80,000	20,000	-
April 24, 2014	2,000	25,000	4,000	-
April 28, 2014	10,000	123,000	20,000	-
April 29, 2014	5,000	61,428	10,000	-
May 21, 2014	1,500	22,000	3,000	-
June 17, 2014	10,000	122,857	20,000	-
June 30, 2014	50,000	614,286	100,000	714,285
July 1, 2014	10,000	122,857	20,000	142,857
July 3, 2014	5,000	61,428	10,000	71,429
July 3, 2014	1,000	12,500	2,000	14,286
July 9, 2014	50,000	614,286	100,000	714,286
July 9, 2014	5,000	61,428	10,000	71,428
July 14, 2014	10,000	122,857	20,000	142,857
July 30, 2014	24,000	252,000	48,000	300,000
August 14, 2014	25,000	307,142	50,000	357,142
August 18, 2014	50,000	614,286	100,000	714,286
August 21, 2014	3,000	24,000	6,000	15,000
September 18, 2014	7,000	102,667	14,000	50.000
October 2, 2014	14,000	205,334	28,000	100.000
October 31, 2014	6,222	76,445	12,446	44.444
November 18, 2014	10,000	200,000	50,000	100,000
	$ 393,722	4,671,801	987,446	3,258,150

7. Convertible notes payable (continued):

The Company was required to consider whether notes embodied a beneficial conversion feature ("BCF"). Certain of the notes resulted in a BCF because the conversion price was in the money on the inception date.

The allocation of proceeds related to the $393,722 convertible note financing is detailed in the following table:

		Prepaid Interest				
Issue Date	**Face Value (Proceeds)**	**Shares Issued**	**Warrants Issued**	**Total**	**Beneficial Conversion Feature**	**Convertible Notes**
February 1, 2014	$ 50,000	$ 11,000	-	$ 11,000	$ 16,000	$ 34,000
April 1, 2014	15,000	40,000	-	40,000	-	15,000
April 1, 2014	6,000	2,400	-	2,400	6,000	-
April 11, 2014	7,000	3,220	-	3,220	7,000	-
April 15, 2014	7,000	2,800	-	2,800	7,000	-
April 22, 2014	10,000	3,800	-	3,800	5,200	4,800
April 24, 2014	2,000	800	-	800	2,000	-
April 28, 2014	10,000	4,000	-	4,000	10,000	-
April 29, 2014	5,000	2,000	-	2,000	5,000	-
May 21, 2014	1,500	600	-	600	1,500	-
June 17, 2014	10,000	2,800	-	2,800	7,200	2,800
June 30, 2014	50,000	8,000	$ 94,177	102,177	-	50,000
July 1, 2014	10,000	1,600	10,382	11,982	-	10,000
July 3, 2014	5,000	800	5,191	5,991	-	5,000
July 3, 2014	1,000	160	1,038	1,198	-	1,000
July 9, 2014	50,000	13,000	115,429	128,429	29,857	20,143
July 9, 2014	5,000	1,300	8,710	10,010	2,986	2,014
July 14, 2014	10,000	2,600	10,382	12,982	5,971	4,029
July 30, 2014	24,000	8,160	39,554	47,714	18,840	5,160
August 14, 2014	25,000	9,500	54,898	64,398	25,000	-
August 18, 2014	50,000	19,000	95,653	114,653	50,000	-
August 21, 2014	3,000	1,020	2,752	3,772	1,080	1,920
September 18, 2014	7,000	980	4,721	5,701	187	6,813
October 2, 2014	14,000	1,680	6,009	7,689	-	14,000
October 31, 2014	6,222	871	2,758	3,629	-	6,222
November 18, 2014	10,000	4,500	4,647	9,147	8,000	2,000
	$ 393,722	$ 146,591	$ 456,301	$ 602,892	$ 208,821	$ 184,901

The 987,446 shares of common stock and the 6,671,801 warrants issued to investors in connection with the above notes were accounted for as prepaid interest expense under the guidance of ASC 820-15-20. For the $368,722 in principal that was converted immediately after being issued, the $553,745 in related prepaid interest was charged to interest expense upon conversion. The $40,000 in prepaid interest related to the $15,000 note that was not converted in 2014 was amortized over the life of the note, which matured on June 1, 2014. The $15,000 note was converted on August 11, 2015.

7. Convertible notes payable (continued):

The warrants issued in connection with the convertible notes were valued using a binomial model using the following inputs:

	Inputs
Linked common shares	3,552,300
Range of quoted market prices on valuation dates	\$0.05 - \$0.19
Contractual exercise price	\$0.01
Expected term (years)	3.50
Market volatility	128.46%
Risk free rates using zero coupon US Treasury Security rates	0.87% - 1.06%

Interest expense on the Investor Loans issued in 2014 amounted to \$999 for the year ended December 31, 2015. Interest expense on the Investor Loans issued in 2014 for the year ended December 31, 2014 was \$823,360, of which \$613,293 related to the amortization of prepaid interest, \$208,820 related to the amortization of the beneficial conversion feature and \$1,247 related to interest accrued on the note that was not immediately converted.

Related Party Loans

During February 2014, the Company's wholly owned subsidiary Vacation Travel Corp. issued an aggregate \$46,075 in convertible notes to related parties. Each note bears interest at 10% and matures two years after the date of issuance. The note holders have the option to convert the notes into common stock of Vacation Travel at a fixed conversion price of \$.05 per share. As of December 31, 2015 the outstanding balance of the notes is \$46,075.

8. Notes payable

During the year ended December 31, 2014, the Company issued three promissory notes for an aggregate face value of \$75,000. Each of the notes bear interest at 10% and mature two months after the date of issuance. The net proceeds of the note amounted to \$50,000 resulting in a debt discount of \$25,000. The Company also issued common stock, and in connection with the three notes, as prepaid interest expense. Interest expense on the promissory notes for the year ended December 31, 2014 was \$11,751 of which \$11,187 related to the amortization of debt discount and \$564 relate to interest accrued. The carrying value of the notes payable as of December 31, 2014 amounted to \$61,187 (face value of \$75,000 less \$13,813 in amortized discount).

On August 11, 2015 a holder of one of the notes agreed to an amendment that added a conversion option as an inducement of \$0.05 per shares. This amendment did not result in an inducement charge. The \$15,000 plus \$2,392 in accrued interest was converted into 647,036 shares of common stock on September 1, 2015.

Interest expense on the promissory notes for the year ended December 31, 2015 amounted \$13,010 of which \$8,813 related to the amortization of debt discount and \$4,197 related to accrued interest.

9. Capital and treasury stock:

2015 stock transactions

During the year ended December 31, 2015:

- the Company issued 11,400,00 shares of common stock in exchange for services to consultants. The shares issued to consultants were initially valued at the market price on the date of the grant with the value adjusted periodically if material and are being expensed over the service periods. The aggregate value of the shares issued for services was $329,750;

- the Company issued 54,580,510 common shares as part of the Vacation Travel share exchange on October 1, 2015;

- the Company issued 4,955,089 shares of common stock in exchange for the conversion of loans with a face value of $203,000 plus accrued interest of $44,755;

- the Company issued 1,975,164 shares of common stock in exchange for an accounts payable balance of $98,758;

- the Company issued 194,444 shares of common stock as a result of the exercise of warrants

2014 stock transactions

During the year ended December 31, 2014:

- the Company sold 12,500 shares of common stock for $0.60 per share;

- the Company issued 4,910,772 shares of common stock in exchange for services of which 320,000 shares were issued to employees and 4,590,772 shares were issued to consultants. The shares issued to employees for services were valued based on the market price on the date of grant and are being expensed over the service periods. The shares issued to consultants were initially valued at the market price on the date of the grant with the value adjusted periodically if material and are being expensed over the service periods. The aggregate value of the shares issued for services was $1,175,670 of which $676,000 was issued for future services;

- the Company issued 150,000 shares of stock for asset acquisitions, of which 50,000 were valued at the market price of $0.18 per share or $9,000 and 100,000 were valued at the market price of $0.07 per share or $7,000;

9. Capital and treasury stock (continued):

- the Company issued 1,137,446 shares of stock in connection with multiple note purchase agreements as describe in Note 7, which were valued at $159,580 based on the market prices on the inception dates of the notes;
- the Company issued 5,123,700 shares of common stock in exchange for the conversion of loans with a face value of $423,722

10. Stock options

At December 31, 2015 and December 31, 2014, 1,934,822 and 1,934,822 options were exercisable at a weighted average price of approximately $0.29 and $0.29, respectively.

The following is a summary of all option activity through December 31, 2015:

	Number of Options Outstanding	Weighted Average Price	Average Remaining Term (in years)
Options outstanding at December 31, 2014	1,934,822	0.29	3.5
Granted in 2015	-	-	-
Exercised	-	-	-
Options outstanding at December 31, 2015	1,934,822	$ 0.29	3.5
Exercisable at December 31, 2015	1,934,822	$ 0.29	3.5

Options Outstanding and Exercisable

Exercise Price	Number Outstanding at December 31, 2015	Weighted Average Remaining Contractual Life	Weighted Average Exercise Price
$ 0.08	397,322	2.9	0.08
$ 0.20	150,000	4.7	0.20
$ 0.38	1,387,500	3.5	0.38
	1,934,822	3.5	$ 0.11

10. Stock options (continued):

During the year ended December 31, 2014, the Company issued 8,450,000 options in lieu of payment for accrued payroll and consulting fees amounting to $272,429. All the options have an exercise price of $0.01, vest immediately and have a seven year term. On December 30, 2014, 12,598,924 options, including 8,450,000 from 2014 and 4,148,924 from previous years, were exercised.

Cash flows resulting from excess tax benefits are classified as part of cash flows from financing activities. Excess tax benefits are realized tax benefits from tax deductions for exercised options in excess of the deferred tax asset attributable to the compensation cost for such options.

11. Warrants

During the year ended December 31, 2013, the Company issued 359,100 warrants in conjunction with short-term notes described in Note 6 and 30,000 warrants for consulting services during the year ended December 31, 2013. In addition, we have 992,740 warrants outstanding that were issued in 2012 and prior years. During the year ended December 31, 2014, 3,552,300 warrants were issued in connection with a note purchase agreement, which is described in Note 7. In July 2014, 300,000 warrants were exercised for $3,000. In August 2015, 194,444 warrants were exercised for $1,944. All of the warrants are currently exercisable and are accounted for as equity instruments. The following table summarizes the warrants outstanding at December 31, 2015:

Warrants Outstanding and Exercisable

Exercise Price	Number Outstanding at December 31, 2015	Expiration
$ 0.50	801,600	August 31, 2019
$ 0.38	580,240	January 20, 2020
$ 0.01	3,057,856	July 20, 2021
	4,439,696	

12. Related-party transactions

During the year ended December 31, 2014, the Company issued a $50,000 face value convertible note to its Chief Operating Officer (currently the Chief Executive Officer). The note was converted into 500,000 shares of common stock during the period. Additionally, during the year ended September 30, 2014, the Company issued a $2,000 face value convertible note to a relative of the President. The note was converted into 25,000 shares of common stock during the period. (See Note 7).

During February 2014, the Company's wholly owned subsidiary Vacation Travel Corp. issued an aggregate $46,075 in convertible notes to related parties. Each note bears interest at 10% and matures two years after the date of issuance. The note holders have the option to convert the notes into common stock of Vacation Travel at a fixed conversion price of $.05 per share. As of December 31, 2015 the outstanding balance of the notes is $46,075.

13. Income taxes

Income tax benefit resulting from applying statutory rates in jurisdictions in which we are taxed (Federal and State of Florida) differs from the income tax provision (benefit) in our financial statements. The following table reflects the reconciliation for the years ended December 31, 2015 and 2014:

	December 31, 2015	December 31, 2014
Benefit at federal and statutory rate	(34)%	(34)%
Change in valuation allowance	34	34
Effective tax rate	-%	-%

Deferred income taxes arise from temporary differences in the recognition of certain items for income tax and financial reporting purposes. The approximate tax effects of significant temporary differences which comprise the deferred tax assets and liabilities are as follows:

	December 31, 2015	December 31, 2014
Net operating loss carry-forward	$ 11,241,816	$ 10,760,071
Property and equipment	-	-
Intangible assets	(9,200)	(7,110)
Compensation arising from share-based payment	2,101,900	2,700,920
Accrued liabilities	12,500	10,156
Less: Valuation allowance	(13,347,016)	(13,464,037)
Net deferred tax asset (liability)	$ -	$ -

As of December 31, 2015, we have approximately $2,895,000 in net operating loss carry forward that, subject to limitation, may be available in future tax years to offset taxable income. The net operating loss carry forwards expire through 2031. The principal differences between the accumulated deficit and the above net operating loss results from the depreciation of equipment, amortization of intangible assets, stock based compensation, and accrued liabilities.

The amount of income taxes and related income tax positions taken are subject to audits by federal and state tax authorities. As of December 31, 2015, the Company's most recently filed income tax return dates are as of December 31, 2012, and generally three years of income tax returns commencing with that date are subject to audit by these authorities. Although all returns remain open until either expiration of the net operating loss (20yrs) or 3 years after the use of a net operating loss. Our estimate of the potential outcome of any uncertain tax positions is subject to management's assessment of relevant risks, facts, and circumstances existing at that time, pursuant to ASC 740, *Income Taxes*. ASC 740 requires a more-likely-than-not threshold for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. The Company's policy is to record a liability for the difference between the benefit recognized and measured pursuant to ASC 740 and tax position taken or expected to be taken on the tax return. Then, to the extent that the assessment of such tax positions changes, the change in estimate is recorded in the period in which the determination is made. The Company reports tax-related interest and penalties as a component of income tax expense. During the periods reported, management of the Company has concluded that no significant tax position requires recognition under ASC 740.

14. Subsequent events

Shares issued subsequent to balance sheet date

- 2,000,000 common shares were issue for a board appointment and 1,500,000 common shares were issued for services on February 1, 2016

Reverse Stock-Split

On June 2, 2016, the board of directors approved a 40 for 1 reverse stock split. In addition to the split the board increased the authorized common shares from 50,000,000 to 100,000,000.