

ZEREZ HOLDINGS CORPORATION

An Oklahoma corporation and Registered Foreign Corporation in California

ANNUAL REPORT

As of December 31, 2016

Item 1: The exact name of the issuer for the past five years.

The exact name of the Issuer is Zerez Holdings Corporation.

Name Change history within past five years:

- *Zerez Holdings Corporation, changed as of March 10, 2016.*
- *Definitive Rest Mattress Company, changed as of February 20, 2014.*
- *Crescent Hill Capital Corporation, prior name.*

Item 2: The address of its principal executive offices:

3017 Douglas Blvd
Suite 300
Roseville, CA 95661
Phone: (888) 589-3739

Email: ir@zerezholdings.com Website: www.zerezholdings.com

Item 3: Security Information

A. Par or Stated Value for each class of Securities

Security Symbol:	ZRZH
CUSIP Number	24477B109
Common Stock:	10,000,000,000 authorized, Par Value \$0.00001
Preferred Stock:	50,000,000 authorized, Par Value \$0.00001

(No CUSIP number for the preferred.)

B. Number of shares or total amount of securities outstanding for each class of securities outstanding

Period end date: December 31, 2016 year end

Authorized Shares: 10 Billion Common Shares, 50 Million Preferred Shares

Outstanding Shares: 6,024,659,739 Common Shares, 440,000 Preferred Shares

Public Float: Approx 1,383,336,622

Number of Beneficial Shareholders: Approx 2

Total number of Shareholders: Approx 55

Period end date: December 31, 2015 year end

Authorized Shares: 975 Million Common Shares, 50 Million Preferred Shares

Outstanding Shares: 918,295,780 Common Shares, 0 Preferred Shares

Public Float: Approx 549,841,757

Number of Beneficial Shareholders: Approx 2

Total number of Shareholders: Approx 54

Period end date: December 31, 2014 year end

Authorized Shares: 975 Million Common Shares, 50 Million Preferred Shares

Outstanding Shares: 496,585,780 Common Shares, 0 Preferred Shares

Public Float: Approx 138,148,800

Number of Beneficial Shareholders: Approx 2

Total number of Shareholders: Approx 58

C. Transfer Agent

Justeene Blankenship

Action Stock Transfer Corp.

2469 E. Fort Union Blvd.

Suite 214

Salt Lake City, UT 84121

(801) 274-1088

This Transfer Agent is registered under the Exchange Act. The regulatory authority of the Transfer Agent is the United States Securities and Exchange Commission.

Item 4: Issuance History

Events by the Issuer Resulting in Changes in Total Outstanding Shares for the Past Two Fiscal Years.

To the best knowledge of the present management of the Company, the list identified below identifies all events, in chronological order, that resulted in changes in total shares outstanding by the Company (1) within the two- year period ending on the last day of the Company's most recent fiscal year and (2) since the last day of the Company's most recent fiscal year.

(A) During the quarter ended September 30, 2015, a total of 153,000,000 shares of the Company's common stock were issued. The following is a breakdown of the issuance(s):

On July 23, 2015, the Company issued 49,000,000 shares of its common stock as compensation for consulting services owed to Mark Cheung, at a cost basis of \$0.0001.

On July 29, 2015, the Company issued 49,000,000 (partial) shares of its common stock pursuant to a Convertible Promissory Note dated December 18, 2012, for the conversion of \$4,900.00 of debt owed by the Company, at a conversion price of \$0.0001 per share.

On August 3, 2015, the Company issued 55,000,000 shares of its common stock as compensation for consulting services owed to Abraham Abu.

(B) During the year ended December 31, 2016, a total of 2,597,971,582 shares of the Company's common stock were issued. A total of 578,647,278 shares were cancelled leaving the net shares issued in 2016 at 2,019,324,304.

The following is a breakdown of the issuance(s):

On or before October 21, 2016 a number of the company's convertible promissory notes were consolidated, eliminated and converted into shares of common stock.

On or about October 21, 2016 the company issued 2 Billion Shares of its common restricted stock (John Taylor – 1 Billion) (Don Smith – 1 Billion) to acquire Next Generation Farming Inc.

Item 5: Financial Statements

(i) The Annual financial statements are incorporated by reference.

(ii) The following Annual financial statements are incorporated by reference.

- Balance Sheet for December 31, 2016 and 2015.
- Statement of Income for the years ended December 31, 2016 and 2015.
- Statement of cash flows for the year ended December 31, 2016.
- Financial Notes as of December 31, 2016.

Management's Discussion and Analysis of Plan of Operation

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis should be read in conjunction with the financial statements and notes thereto included in this report. The statements contained in this report that are not purely historical are forward-looking statements which would include, but not be limited to, statements regarding our expectations, hopes, intentions or strategies regarding the future. Forward-looking statements include statements regarding: future product or product development; future research and development spending on our product development strategies, and are generally identifiable by the use of the words “may”, “should”, “expect”, “anticipate”, “estimates”, “believe”, “intend”, or “project” or the negative thereof or other variations thereon or comparable terminology. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements (or industry results, performance or achievements) expressed or implied by these forward-looking statements to be materially different from those predicted. The factors that could affect our actual results include, but are not limited to, the following: general economic and business conditions, both nationally and in the regions in which we operate; competition; changes in business strategy or development plans; our inability to retain key employees; our inability to obtain sufficient financing to continue to expand operations; and changes in demand for products by our customers.

Plan of Operation:

In October 2016, the Company changed its management and executive officers, and further merged in its new principal subsidiary, Next Generation Farming Inc. (“NGF”), that focuses its operations in the field of advanced controlled environment greenhouse systems sold to clients for legal cannabis cultivation, and organic food cultivation. The company designs, manufactures and sells two series of greenhouses and is presently beta testing its proprietary automation control software system. The company’s product offerings can be viewed at <https://nextgen.farm/>.

The company is presently focused on expanding its presence and sales to the cannabis and advanced agriculture business for food, vegetables. The company’s primary source of revenue today comes from its wholly owned subsidiary Next Generation Farming Inc. The company is actively engaged in growing sales of its products, bringing new products and services to market through its own intellectual property, acquisitions and strategic alliances.

NGF holds a five-year lease on 2 connected parcels in Northern California (totaling approximately 20 acres). In the fourth quarter 2016, NGF sublet one twenty acre parcel and a 3000 SF advanced greenhouse system to Potters Hand Inc for \$900,000. The deal is structured as a five year land lease and equipment lease/purchase for which the company will receive \$15,000 per month for 60 months beginning in January 2017.

Sub-sequent to this reporting period,

- The Company has announced multiple sales of its greenhouse systems direct to clients. Most of the revenue from those sales will be reflected in the company's first quarter 2017 report. Please see press release history for specifics.
- The company announced a one-million dollar sales agreement for 2017 from the formation of a co-marketing and sales relationship with Sweet Leaf Hydroponics, a Northern California reseller.
- The company announced a Manufacturing Consulting Agreement with a Northern California Sheet Metal Manufacturing Company which provided the company the ability to manufacture its own core products. The decision was necessary and critical to the company's ability to grow. Previously, despite placing large orders, outside manufacturers were unable to meet the company's demand in a timely manner. The decision to manufacture in house is expected to yield immediate results in the form of increased production capacity and increased profit margins. As of this report, the company is capable of manufacturing 5-10 greenhouses per day. Depending upon the sales channel and configuration, current manufacturing capacity could support approximately \$300,000,000 (three hundred million) in annual sales of greenhouse systems.

Results of Operations:

In October 2016, the Company merged in a new subsidiary, Next Generation Farming Inc., which designs, manufactures, sells and installs advanced smart greenhouse systems and proprietary control software for the cannabis and food markets. The company established operations in Northern California, and began actively selling its products in November and December of 2016.

Off-Balance Sheet Arrangements

There are no off balance sheet arrangements.

Legal Proceedings

Subsequent to this this reporting period, in January 2017, the Company filed a federal lawsuit in California pertaining to its efforts to rescind a promissory note with Tarpon Bay Partners, LLC. Presently, the lawsuit is against Tarpon Bay Partners, LLC, Southridge Advisors II, LLC, and Stephen M. Hicks. The Company has alleged the defendants' securities-related violations, contractual breaches, and breach of fiduciary, among other claims, for which the Company seeks rescission and monetary remedies. This lawsuit is still at an early stage with no known hearing or trial dates.

On April 6, 2016, the Company incurred a money judgment in a California Superior Court in the amount of \$196,556.24. An outside investor settled the amount in full and the company issued a convertible promissory note as consideration.

Item 6 Issuer's Business, Products and Services

A. A description of the issuer's business operations;

The Company operates as a holding company and has embarked upon an aggressive plan to acquire high growth entrepreneurial companies that have established or are expected to establish themselves as leaders and successful enterprises in various market niches.

B. Date and State of Incorporation;

The issuer is an Oklahoma corporation incorporated in 2009.

C. the issuer's primary SIC code:

Primary 5191

D. the issuer's fiscal year end date;

December 31.

E. principal products or services, and their markets;

In October 2016 in conjunction with the acquisition of Next Generation Farming Inc., the company changed its management and primary business plan to expand into the cannabis and advanced agriculture business. The Smart Greenhouse Marketplace is estimated at \$6 Billion in 2017 and the Cannabis Market is estimated at over \$300 Billion.

Item 7 Issuer's Facilities

The Company's corporate headquarters are located in approximately 1000 square feet of leased office space in Roseville California pursuant to a lease that expires in December 2017, and is renewable and expandable as needed. Next Generation Farming Inc., has extensive operational capacity at its 23 acre site in Lincoln, CA. In the opinion of management, the Company's current space is adequate for its operating needs.

Item 8 Officers, Directors and Control Persons

A. Officers, Directors and Control Persons. In responding to this item, please provide the following information for each of the issuer's executive officers, directors, general partners and control persons, as of the date of this information statement.

A. Officers and Directors

The Management of the Issuer is described in detail and incorporated herein by reference to financial statements filed with the pink sheets

John Taylor, President and Director

Business Address: 3017 Douglas Blvd, Suite 300, Roseville CA 95661

Employment History: John Taylor is an accomplished business strategist and project leader with 15 years of experience. Starting as a banking teller and quickly running up the corporate ladder to management positions in the corporate world, he ventured into CAD (computer aided design) and manufacturing following, “LEAN”, “JITS”, styles of production training. This training directed him into the world of product development. Mr. Taylor has an amazing understanding of the process’s required to take an “idea” and develop it into a marketed product from drawing board to manufacturing to distribution. He has a great ability to evaluate day to day business procedures and implement “LEAN” operations with direct improvement to cash flow. Mr. Taylor has a strong entrepreneurial background in “Doing Business”.

Board Memberships/Affiliations: N/A

Don Smith, Vice President & Director

Business Address: 3017 Douglas Blvd, Suite 300, Roseville, CA 95661

Employment History: Mr. Smith has extensive experience in startup companies, emerging markets, and all the aspects that go along with a startup operation; fundraising, strategic alliances, mergers and acquisitions, sales, marketing, and operations. Mr. Smith has spent the past 8 years focused on the advancements in organic sustainable food industry and its applications to the cultivation and growth of the legal cannabis business. Having co-invented a "vertical cultivation" device with John Taylor, the invention and successful hydroponics business was sold to Greengro Technologies, Inc., where Smith served in various capacities including Chairman and CEO. Mr. Smith, also a licensed Enrolled Agent, is recognized to practice before the Internal Revenue Service since 1994. He has built multiple tax and real estate firms having personally prepared over 16,000 tax returns and been involved in more than 500 real estate transactions. Mr. Smith is an accomplished visionary, deal maker and sales professional with 25 years experience in emerging technologies, broadcast television, film, post production, animation hardware and software systems.

Board Memberships/Affiliations: N/A

B. Legal - Disclaimer History.

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other misdemeanor 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 SEC, the CFTC, 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

<u>Name of Beneficial Owners</u>	Shares of Common Stock Owned	<u>%</u>
John Taylor	1,000,000,000	
Don Smith	1,000,000,000	

Item 9 Third Party Providers

The name, address, telephone number, and email address of each of the following

outside providers that advise the issuer on matters relating to the operations, business development and disclosure:

- 1. Investment Banker:**
None.
- 2. Promoters:**
None.
- 3. Counsel:**
Austin Legal Group
3990 Old Town Avenue
Suite A-112
San Diego, CA 92110
(619) 924-9600
info@austinlegallgroup.com

Kathleen Finnerty, Attorney
1430 Blue Oaks Blvd. Suite 250
Roseville CA 95747
916-296-0984
kathleen@finnertylaw.com
- 4. Accountant or Auditor:**
None
- 5. Public Relations Consultant:**
None
- 6. Investor Relations Consultant:**
None
- 7. Advisory:**
None

Item 10 Issuer's Certificate

I, John Taylor, certify that:

- 1, I have reviewed this disclosure statement of Zerez Holdings Corp.
- 2, Based upon my knowledge, this disclosure statement does not contain an untrue statement of a material fact of 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 upon 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

April 2, 2017

/s/ John Taylor

John Taylor
President

I, Don Smith, certify that:

- 1, I have reviewed this disclosure statement of Zerez Holdings Corp.
- 2, Based upon my knowledge, this disclosure statement does not contain an untrue statement of a material fact of 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 upon 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

April 2, 2017

/s/ Don Smith

Don Smith
Vice President and Chief Financial Officer

ZEREZ HOLDINGS CORP.
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD JANUARY 1, 2016 – DECEMBER 31, 2016

ASSETS	As of December 31, 2016	As of December 31, 2015
Current Assets		
Cash and Cash Equivalents	\$9,845.00	-\$12,029.00
Accounts Receivable	\$950,000.00	\$12,341.00
Inventory	\$0.00	\$162,085.00
Other Current Assets	\$1,226.00	\$15,387.00
Total Other Current Assets	\$961,071.00	\$177,784.00
Fixed Assets		
Fixed Assets (Net)	\$0.00	\$455.00
	\$0.00	\$455.00
Other Assets		
Investments in Company	\$0.00	\$120,000.00
Intellectual Property (Net)	\$0.00	\$380,140.00
	\$0.00	\$500,140.00
TOTAL ASSETS	\$961,071.00	\$678,379.00
LIABILITIES & EQUITY		
Current Liabilities		
Accounts Payable & Accrued Liabilities	\$41,848.00	\$11,354.00
Past Due Payroll	\$0.00	\$380,140.00
Note Payable	\$10,000.00	\$120,000.00
Liabilities		\$0.00
Consulting Liabilities	\$0.00	\$0.00
Liability Land Lease 5 years	\$600,000.00	
Other Current Liabilities	\$0.00	\$12,984.00
Total Current Liabilities	\$651,848.00	\$524,478.00
Long Term Liabilities		\$9,237.00

		\$23,375.00	
		\$48,350.00	
	Convertible Promissory Note 05-10-2014	\$25,000.00	\$25,000.00
			\$25,000.00
	Convertible Promissory Note 04-20-2015	\$25,995.00	\$10,000.00
			\$10,000.00
			\$15,000.00
			\$15,000.00
			\$30,995.00
	Convertible Promissory Note 11-10-2015	\$45,000.00	
	Convertible Promissory Note 10-19-2016	\$207,000.00	
	Sub-Total Liabilities	\$302,995.00	\$211,957.00
	Total Liabilities	\$954,843.00	\$736,435.00
EQUITY			
	Common Stock	\$0.00	\$0.00
	Opening Balance Equity	\$510.00	\$450.00
	Additional Paid In Capital	\$0.00	\$0.00
	Retained Earnings	-\$58,056.00	\$0.00
	Net Income	\$63,774.00	-\$58,056.00
	Total Equity	\$6,228.00	-\$57,606.00
TOTAL LIABILITIES & EQUITY		\$961,071.00	\$678,379.00

ZEREZ HOLDINGS CORP.
CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD JANUARY 1, 2016 – DECEMBER 31, 2016

	For the Twelve Months Ending December 31 2016		For the Three Months Ending December 31 2015	
	2016	2015	2016	2015
Revenue	\$ 225,058.80	\$ 62,676.00	\$ 220,406.00	\$ 25,594.00
Goods Sold or COGS	\$ 153,558.70	\$ 30,593.00	\$ 155,405.81	\$ 1,600.00
Gross Profit	\$ 71,500.10	\$ 32,082.00	\$ 65,000.19	\$ 22,994.00
Operating Expenses	\$ 1,086.00		\$ 155.00	
Compensation Exp		\$ 12,500.00	\$ -	\$ 5,300.00
Professional Fees	\$ 1,289.68	\$ 10,000.00	\$ -	\$ 1,306.00
Rent Expense	\$ 2,100.00	\$ 9,400.00	\$ -	\$ 4,700.00
General & Administrative	\$ 3,581.75	\$ 23,849.00	\$ -	\$ 23,202.00
Total Expenses	\$ 8,057.43	\$ 55,750.00	\$ 155.00	\$ 34,508.00
Operating Income (Loss)	\$ 63,442.67	\$ (23,668.00)	\$ 64,845.19	\$ (11,514.00)
Other Income/Expense	\$ 0.02	\$ -	\$ -	
Net Other Income	\$ 331.16		\$ -	
Other Expense	\$ (331.14)	\$ 42.03	\$ -	\$ 0.01
Net Income	\$ 63,773.81	\$ (23,626.00)	\$ 64,845.19	\$ (11,514.00)

ZEREZ HOLDINGS CORP.
STATEMENT OF CASH FLOWS
FOR THE PERIOD JANUARY 1, 2016 – DECEMBER 31, 2016

	For the Twelve Months Ended 12/31/2016	
	2016	2015
NET INCOME	\$ 63,774.00	\$ (23,626.00)
Operating Activities	\$ 1,433.00	\$ (9,575.00)
Investing Activities		\$ (2,620.00)
Financing Activities	\$ 20,000.00	\$ (2,949.00)
Net Cash Increase for Period	\$ 21,433.00	\$ (19,619.00)
Cash at Beginning of Period	\$ (11,588.00)	\$ 8,030.92
Cash at End of Period	\$ 9,845.00	\$ (11,588.00)

NOTE 1. DESCRIPTION OF BUSINESS AND ACCOUNTING POLICIES

Description of Business

The Company operates as a holding company and has embarked upon an aggressive plan to acquire high growth entrepreneurial companies that have established or are expected to establish themselves as leaders and successful enterprises in various market niches.

In 2013, the Company relocated its headquarters to an expanded facility within Orange County, California, in conjunction with its development of its pharmaceutical operations.

In October 2016, the company completed a deal with Next Generation Farming Inc., which brought in a wholly owned subsidiary company, and experienced management team to take the company in a whole new direction focused on the explosive market for smart greenhouse systems used in organic food and cannabis production. The majority of the revenues that have been created by the company's new operations will fall within the 1st quarter of fiscal year 2017.

Use of Estimates and Assumptions - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation - These financial statements present the balance sheets and the related statements of operations, cash flows and stockholders' deficit of the Company.

Fiscal Periods – The Company's fiscal year-end is December 31.

Cash and Cash Equivalents - For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents. The carrying value of these investments approximates fair value.

Inventory- The company presently does not maintain inventory other than ancillary accessories.

Accounts Payable-Related parties- see below.

Derivative liabilities – None.

Income Taxes - The Company accounts for its income taxes in accordance with FASB Codification Topic ASC 740-10, "*Income Taxes*", which requires recognition of deferred tax assets and liabilities for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Earnings (loss) Per Share - The Company reports earnings (loss) per share in accordance with FASB Codification Topic ASC 260-10 "*Earnings Per Share*", Basic earnings (loss) per share is computed by dividing income (loss) available to common shareholders by the weighted average number of common shares available. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. Diluted earnings (loss) per share has not been presented since the effect of the assumed exercise of options and warrants to purchase common shares (common stock equivalents) would have an anti-dilutive

effect.

Fair Value of Financial Instruments - Accounting Standards Codification (“ASC”) 820, Fair Value Measurements and Disclosures, requires disclosing fair value to the extent practicable for financial instruments that are recognized or unrecognized in the balance sheet. Fair value of financial instruments is the amount at which the instruments could be exchanged in a current transaction between willing parties. The Company considers the carrying amounts of cash, certificates of deposit, accounts receivable, accounts payable, notes payable, related party and other payables, customer deposits, and short term loans to approximate their fair values because of the short period of time between the origination of such instruments and their expected realization. The Company considers the carrying amount of notes payable to approximate their fair values based on the interest rates of the instruments and the current market rate of interest.

Recent Accounting Pronouncements-

The Company has evaluated recent pronouncements through Accounting Standards Updates “ASU” 2016-03 and believes that none of them will have a material impact on the Company’s financial position, results of operations or cash flows. The Company adopted 2014-10 “Development State Enterprises” and eliminated all inception to date reporting.

NOTE 2. GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As of December 31, 2016 the Company, under standard accounting rules generated a profit of \$63,774.00. The Company has been self-generating operating capital it requires for operations and marketing activities by selling its systems under favorable company terms, typically 50% down with order and 50% upon delivery. The Company’s ability to operate without a substantial capital raise is contingent upon its ability to continue selling under this sales model. The company is presently working to raise additional capital through strategic contracts, and possible investment in the form of convertible promissory notes, however, the timing of raising capital is unknown. The obtainment of additional financing, the successful development of the Company’s plan of operations, and its continued profitable sales are necessary for the Company to continue operations.

NOTE 3. RELATED PARTY TRANSACTIONS

Management of the Company has made a \$10,000 loan for operational costs, bearing interest at 10% per annum, payable on or before June 30, 2017.

NOTE 4. LOANS PAYABLE

Through December 31, 2016, the Company had received \$302,995 in consolidated debt in the form of convertible promissory notes.

Management has been fully briefed and discloses an outstanding disputed note for \$25,000 due to Tarpon Bay/Southridge Partners, generated from previous company management in an attempt to consolidate debts of the company. The company's position is that it received no benefit from the contemplated transaction and rescinded and cancelled the transaction prior to entering the acquisition with Next Generation Farming Inc. The company's position is that this note was rescinded and is the subject of a federal lawsuit.

NOTE 5. STOCKHOLDERS' DEFICIT

Preferred Stock:

The Company has authorized 50,000,000 shares of preferred stock.

On August 28, 2015, the Board of Directors of the Company approved the designation of Series A preferred shares which provides voting rights equal to the greater of (i) Five Thousand (5,000) votes for each share of Series A Preferred Stock or (ii) the number of votes equal to the number of all outstanding shares of Common Stock, plus one additional vote such that the holders of Series A Preferred Stock shall always constitute a majority of the voting rights of the Corporation.

As of December 31, 2016 there are three preferred stock certificates totaling 440,000 shares that have been reassigned to the company treasury with the company's intention to CANCEL the preferred shares. As of this report, the cancellation has not yet been processed by the stock transfer agent.

Common Stock:

As of December 31, 2016 there were 6,024,659,739 shares of common stock outstanding. Approximately 4,191,323,117 of those shares are restricted.

Share Transactions:

Events by the Issuer Resulting in Changes in Total Outstanding Shares for the Past Two Fiscal Years.

To the best knowledge of the present management of the Company, the list identified below identifies all events, in chronological order, that resulted in changes in total shares outstanding by the Company (1) within the two- year period ending on the last day of the Company's most recent fiscal year and (2) since the last day of the Company's most recent fiscal year.

(1) During the quarter ended March 31, 2014, a total of 230,500,000 shares of the Company's common stock were issued. The following is a breakdown of the issuance(s):

On December 5, 2014, the Company issued 49,000,000 shares of its common stock pursuant to a Convertible Promissory Note dated December 18, 2012, for the conversion of \$4,900.00 of debt owed by the Company, at a conversion price of \$0.0001 per share.

On February 27, 2014, the Company issued 51,428,570 shares of its restricted common stock as compensation for \$15,000.00 of salary owed to its CFO, at a cost basis of \$0.003.

On February 27, 2014, the Company issued 68,571,439 shares of its restricted common stock as compensation for \$20,000.00 of salary owed to its Secretary/Treasurer, at a cost basis of \$0.003.

On March 6, 2014, the Company issued 6,500,000 shares of its common stock pursuant to a Convertible Promissory Note dated December 21, 2010, for the conversion of \$650.00 of debt owed by the Company, at a conversion price of \$0.0001 per share.

On March 7, 2014, the Company issued 5,000,000 shares of its common stock pursuant to a Convertible Promissory Note dated December 21, 2010, for the conversion of \$500.00 of debt owed by the Company, at a conversion price of \$0.0001 per share.

On March 11, 2014, the Company issued 10,000,000 shares of its common stock pursuant to a Convertible Promissory Note dated December 21, 2010, for the conversion of \$1,000.00 of debt owed by the Company, at a conversion price of \$0.0001 per share.

On December 4, 2014, the Company issued 40,000,000 (partial) shares of its common stock pursuant to a Convertible Promissory Note dated December 18, 2012, for the conversion of \$4,000.00 of debt owed by the Company, at a conversion price of \$0.0001 per share.

(2) During the quarter ended September 30, 2015, a total of 153,000,000 shares of the Company's common stock were issued. The following is a breakdown of the issuance(s):

On July 23, 2015, the Company issued 49,000,000 shares of its common stock as compensation for consulting services owed to Mark Cheung, at a cost basis of \$0.0001.

On July 29, 2015, the Company issued 49,000,000 (partial) shares of its common stock pursuant to a Convertible Promissory Note dated December 18, 2012, for the conversion of \$4,900.00 of debt owed by the Company, at a conversion price of \$0.0001 per share.

On August 3, 2015, the Company issued 55,000,000 shares of its common stock as compensation for consulting services owed to Abraham Abu.

(3) During the year ended December 31, 2016, a total of 2,597,971,582 shares of the Company's common stock were issued. The company is still auditing and compiling the results with its stock transfer agent. 578,647,278 shares were cancelled during the year resulting in 2,019,324,304 common shares issued ending December 31, 2016.

NOTE 6. INCOME TAXES

The provision for income taxes consists of approximately \$800 in State taxes for each of the years ended December 31, 2016 and 2015, respectively.

Deferred tax assets are comprised of the benefits of loss carry forwards for the year ended 2015 of approximately \$58,000. Under new management, the company's net profit for the year ending 2016 is \$63,774, which the company will use its loss carryforwards to offset, leaving a possible income tax liability on approximately \$5,000 of profit.

Deferred taxes arise from temporary differences in the recognition of certain expenses for tax and financial reporting purposes. As of December 31, 2016, the company had significant timing differences for tax reporting purposes for the non-cash recognition of income due to a long term lease sold to Potters Hand Inc., and certain liabilities due for committed land leases. The company anticipates issuing shares for services and compensation in the first quarter of 2017.