



Signal Advance, Inc.

Prepared in accordance with OTC Pink Basic Disclosure Guidelines

1) Name of the issuer and its predecessors (if any): Signal Advance, Inc.

2) Address of the issuer's principal executive offices

Company Headquarters: 2520 County Road 81
Rosharon, Texas 77583
Phone: 713 510 7445
Email: info@signaladvance.com
Website: www.signaladvance.com

IR Contact: N/A

3) Security Information

Trading Symbol: SIGL
Exact title and class of securities outstanding: Common Stock
CUSIP: 82662L 20 9
Par or Stated Value: 0
Total shares authorized: 100,000,000 as of December 31, 2018
Total shares outstanding: 16,435,342 as of December 31, 2018
Transfer Agent: Nevada Agency and Transfer Company
50 West Liberty, Suite 880
Reno, Nevada 89501
773 322 0626

Nevada Agency and Transfer Company is registered with the Securities and Exchange Commission as a transfer agent pursuant to Section 17A(c) of the Exchange Act of 1934.

There are no restrictions on the transfer of security:

There are no trading suspension orders issued by the SEC in the past 12 months.

There have been no stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either anticipated or that occurred within the past 12 months.

The Company is undergoing reorganization. In the Annual Shareholders' meeting held June 26, 2018, the shareholders authorized the board to 1) transfer assets, liabilities, etc. to a new private entity in which current shareholders acquire pro-rata number of shares in the new entity in exchange for their shares in Signal Advance, Inc., and 2) enter into a share exchange/purchase and merger agreement in which the Company will receive cash and a percentage of the outstanding shares of the current public company. Authorization was approved by 71.7% of the total issued and outstanding shares (in the State of Texas, a two-thirds (2/3's) majority vote is required for such a corporate action)

Audits of the financial reports for the years-ended December 30, 2016 & 2015 and reviews of the interim quarterly financial reports have been completed. A comprehensive 10-K report was accepted by the SEC that cover the delinquent report periods preceding the submission of a Form 15 (voluntary suspension of reporting).

This amendments were required to correct clerical errors in the annual financial statements dated January 15, 2019.

4) Issuance History

Listed below are any events, in chronological order, which resulted in changes in total shares outstanding by the issuer in the years-ended December 31, 2018 and 2017.

The list includes all offerings of equity securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities.

The list also indicates the following:

- A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);
- B. Any jurisdictions where the offering was registered or qualified;
- C. The number of shares offered;
- D. The number of shares sold;
- E. The price at which the shares were offered, and the amount actually paid to the issuer;
- F. The trading status of the shares; and
- G. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

February 13, 2017 - the Company issued 13,000 restricted common shares, at \$0.10/share, to Harold L. Russell for cash.

March 1, 2017 - the Company issued 10,000 restricted common shares, at \$0.10/share, to Ross Sparkes for cash.

March 6, 2017 - the Company issued 10,000 restricted common shares, at \$0.10/share, to Harold L. Russell for cash.

March 16, 2017 - the Company filed a Form D (Rule 504(b)(1)) for a private offering of up to 1,500,000 shares of common stock with intent to raise up to \$150,000.

March 23, 2017 - the Company issued 250,000 restricted common shares, at \$0.10/share, to Jared & Christen Wells, JTWROS, for cash.

April 18, 2017 - the Company issued 50,000 restricted common shares, at \$0.10/share, to Grunter Revocable Trust, Trustee, Belle S Ballard, for cash.

April 18, 2017 - the Company issued 50,000 restricted common shares, at \$0.10/share, to Arthur Samuel Keiper III, for cash.

May 8, 2017 - the Company issued 10,000 restricted common shares, at \$0.10/share, to Bob & Marlene Hutchins, at the direction of Chris M. Hymel, for partial repayment of a line of credit between the Company and Chris M. Hymel.

May 8, 2017 - the Company issued 6,000 restricted common shares, at \$0.10/share, to Herbert Joe custodian for Christopher Joe, at the direction of Chris M. Hymel, for partial repayment of a line of credit between the Company and Chris M. Hymel.

May 8, 2017 - the Company issued 6,000 restricted common shares, at \$0.10/share, to Kirk Granier, at the direction of Chris M. Hymel, for partial repayment of a line of credit between the Company and Chris M. Hymel.

May 8, 2017 - the Company issued 250,000 restricted common shares, at \$0.10/share, to Michael Watson for services rendered per the terms of a consulting agreement dated August 1, 2016.

May 8, 2017 - the Company issued 20,000 restricted common shares, at \$0.10/share, to Richard C. Seltzer for services rendered to the Company.

May 8, 2017 - the Company issued 25,000 restricted common shares, at \$0.10/share, to Sonam Srikishan Bang for services rendered to the Company.

August 4, 2017 - the Company issued 20,000 restricted common shares, at \$0.10/share, to Harold L. Russell for cash.

August 14, 2017 - the Company issued 250,000 restricted common shares, at \$0.10/share, to Harold L. Russell for cash.

August 14, 2017 - the Company issued 250,000 restricted common shares, at \$0.10/share, to Vicki Prall for cash.

September 1, 2017 - the Company issued 20,000 restricted common shares, at \$0.10/share, to Skolnick, Malcolm & Lois, Trustees, Skolnick Family Living Trust for services rendered to the Company by Malcolm Skolnick.

September 1, 2017 - the Company issued 25,000 restricted common shares, at \$0.10/share, to Richard C. Seltzer for services rendered to the Company.

September 1, 2017 - the Company issued 15,000 restricted common shares, at \$0.10/share, to Ron A. Stubbers for services rendered to the Company.

September 30, 2017 - the Company issued 750,000 restricted common shares, at \$0.10/share, to Chris M. Hymel for partial repayment of a line of credit between the Company and Chris M. Hymel.

December 27, 2017 - the Company issued 25,000 restricted common shares, at \$0.10/share, to Richard C. Seltzer for cash.

May 29, 2018 - the Company issued 1,000,000 restricted common shares, at \$0.05/share, to Chris M. Hymel for partial repayment of a line of credit between the Company and Chris M. Hymel.

November 12, 2018 - the Company issued 1,000,000 restricted common shares, at \$0.05/share, to Chris M. Hymel for partial repayment of a line of credit between the Company and Chris M. Hymel.

November 12, 2018 - the Company issued 50,000 restricted common shares at \$0.05/share to Richard C. for services rendered to the Company.

November 12, 2018 - the Company issued 50,000 restricted common shares, at \$0.05/share, to Michael L Watson for services rendered to the Company.

November 12, 2018 - the Company issued 25,000 restricted common shares, at \$0.05/share, to Malcolm Skolnick for services rendered to the Company.

November 12, 2018 - the Company issued 50,000 restricted common shares, at \$0.05/share, to Ron A. Stubbers for services rendered to the Company.

All of the securities listed above were issued under an exemption from registration pursuant to Rule 4(a)(2) of the Securities Act and contain a legend (1) stating that the shares have not been registered under the Securities Act. These issuances were privately negotiated transactions in which there was no advertising and no commissions paid. As such, the stock certificates representing these shares were issued with restrictive legends indicating that the shares have not been registered and may not be traded until registered or otherwise exempt from registration.

5) Financial Statements

Amended Financial statements for the years ended December 31, 2018 and 2017 are provided in Appendix A of this disclosure.

These financial statements are prepared in accordance with US GAAP by persons with sufficient financial skills.

The Issuer understands and acknowledges that the information contained in a Financial Report is considered current until the due date for the subsequent Financial Report. To remain in the OTC Pink Current Information tier, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of its fiscal quarter-end date.

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

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

A. Description of the issuer's business operations:

Signal Advance, Inc. (SA) is a technology development firm that has been developing its proprietary Signal Advance Technology which may significantly reduce signal detection delays associated with a variety of physical sensors to improve response time/performance in control, intervention, and/or signal transmission systems.

B. Date and State (or Jurisdiction) of Incorporation: June 4, 1992, Texas

C. Issuer's primary and secondary SIC Codes: 8731, 8711

D. Issuer's fiscal year end date: December 31

E. Principal products or services, and their markets:

Products/Services: Engineering research and technology development related to the application and implementation of the Company's proprietary Signal Advance technology. This technology has been patented in the U.S., China, Europe and Mexico and is under examination in India.

Addressable markets: biomedicine, industrial process control, transportation, and defense. Potential applications include control/interventional; applications in which a reduced response delay yields improved performance.

7) Issuer's Facilities

The issuer currently leases 1,000 Sq. ft. of office/lab space with access to an additional 4,000 sq. ft. of shop space located in the greater Houston area at 2520 County Road 81, Rosharon, Texas 77583.

8) Officers, Directors, and Control Persons

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant shareholders.

A. Names of Officers, Directors, and Control Persons.

| | |
|-----------------------------|------------------------------------|
| Chris M. Hymel, MEEE, PhD | President/CEO, Treasurer, Director |
| Malcolm Skolnick, PhD, JD | Secretary, Director |
| Ron Stubbers, BSEE, MBA | Vice-President, Director |
| Richard C. Seltzer, JD, LLM | Director |

B. Legal/Disciplinary History. Any of the foregoing persons that 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): **No**
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: **No**
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: **No**
or
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. Name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities.

| Name/Address of Beneficial Owner (1) | Title of Class | Amount/Nature of Beneficial Ownership | Percent of Class |
|--|----------------|---------------------------------------|------------------|
| Chris M. Hymel (2) 3515 County Road 81, Rosharon TX 77583 | Common | 8,314,280 | 50.6% |
| Cede & Co. | Common | 1,547,251 | 9.4% |

(1) Beneficial ownership as of December 31, 2018.

(2) includes shares held by spouse

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

Law Offices of Richard C Seltzer, Attorney at Law
2211 Norfolk, Suite 400
Houston, Texas 77098
Phone: (713) 522 7333,
Email: rseltzer@realclearcounsel.com

Auditor

LBB & Associates Ltd., LLP
10260 Westheimer Road, Suite 310,
Houston, Texas 77042
Phone: (713) 877-9944
Email: info@lbbcpa.com

Investor Relations Consultant N/A

10) Issuer Certification

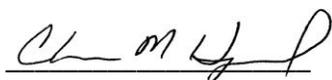
The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, Chris M. Hymel, certify that:

1. I have reviewed these annual and quarterly disclosure statements of Signal Advance, Inc.;
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.

Signed and Dated: May 15, 2018



Chris M Hymel
Chief Executive Officer/ Chief Financial Officer

APPENDIX A:

**SIGNAL ADVANCE, INC.
AMENDED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
Years Ended December 31, 2018 and 2017**

SIGNAL ADVANCE, INC.
AMENDED FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Years Ended December 31, 2018 and 2017

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Signal Advance, Inc.
Amended Balance Sheets
As of December 31, 2018 and 2017
(Unaudited)

| | December 31, | |
|---|---------------------|------------------|
| | 2018 | 2017 |
| ASSETS | | |
| Current Assets | | |
| Cash or Cash Equivalent | \$1,825 | \$13,413 |
| Total Current Assets | \$1,825 | \$13,413 |
| Other Assets | | |
| Long-Term Investments | \$100,000 | \$100,000 |
| Total Other Assets | \$100,000 | \$100,000 |
| TOTAL ASSETS | \$101,825 | \$113,413 |
| LIABILITIES & SHAREHOLDERS' EQUITY (DEFICIT) | | |
| Liabilities | | |
| Current Liabilities | | |
| Accounts Payable | \$8,300 | \$0 |
| Line of Credit, Shareholder | \$26,038 | \$31,377 |
| Total Current Liabilities | \$34,338 | \$31,377 |
| Long Term Liabilities | | |
| Contingent Liability | \$0 | \$28,797 |
| Total Long Term Liabilities | \$0 | \$28,797 |
| Total Liabilities | \$34,338 | \$60,174 |
| Shareholders' Equity (Deficit) | | |
| Common Stock - \$0 par value | | |
| 100,000,000 shares authorized | | |
| shares issued and outstanding: | | |
| 14,285,342 as of December 31, 2017 | | |
| 16,435,342 as of December 31, 2018 | | |
| Additional Paid-In Capital | \$5,884,111 | \$5,776,611 |
| Retained Earnings | (\$5,718,156) | (\$5,593,299) |
| Net Income | (\$92,782) | (\$124,857) |
| Total Shareholders' Equity (Deficit) | \$73,173 | \$58,755 |
| TOTAL LIABILITIES & SHAREHOLDERS' EQUITY (DEFICIT) | \$101,825 | \$113,413 |

See Accompanying Notes to the Financial Statements

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Signal Advance, Inc.
Amended Statements of Operations
Years Ended December 31, 2018 and 2017
(Unaudited)

| | January - December | |
|---|---------------------------|--------------------|
| | 2018 | 2017 |
| Ordinary Income/Expense | | |
| Income | | |
| Consulting | \$62,000 | \$172,500 |
| Licensing | \$0 | \$100,000 |
| Other Regular Income | \$45,000 | \$0 |
| Total Income | \$107,000 | \$272,500 |
| Cost of Revenue | \$0 | \$0 |
| Gross Profit | \$107,000 | \$272,500 |
| Expense | | |
| General and Administrative | \$24,701 | \$27,131 |
| Depreciation | \$0 | \$1,362 |
| Intellectual Property | \$12,078 | \$16,294 |
| Professional Services | \$79,832 | \$46,811 |
| Research and Development | \$51,969 | \$102,350 |
| Total Expense | \$168,579 | \$193,948 |
| Net Ordinary Income | (\$121,579) | (\$93,948) |
| Other Income/Expense | | |
| Other Expenses | | |
| Casualty Loss | (\$28,797) | \$30,909 |
| Total Other Expenses | (\$28,797) | \$30,909 |
| Net Other Income | \$28,797 | (\$30,909) |
| Net Income | (\$92,782) | (\$124,857) |
| Loss per Share - basic and diluted | (\$0.006) | (\$0.009) |
| Shares Outstanding - basic and diluted | 16,435,342 | 14,285,342 |

See Accompanying Notes to the Financial Statements

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Signal Advance, Inc.
Amended Statements of Cash Flow
Years Ended December 31, 2018 and 2017
(Unaudited)

| | January - December | 2018 | 2017 |
|--|---------------------------|-------------|-------------|
| OPERATING ACTIVITIES | | | |
| Net Income | | (\$96,845) | (\$121,780) |
| Adjustments to reconcile Net Income to net cash provided by operations: | | | |
| Account Payable | | \$8,300 | \$0 |
| Contingent Liability | | (\$28,797) | \$28,797 |
| Depreciation | | \$0 | \$1,362 |
| Stock Compensation | | \$107,500 | \$117,500 |
| Net cash provided by Operating Activities | | \$13,616 | \$147,659 |
| INVESTING ACTIVITIES | | | |
| Purchase of Property and Equipment | | \$0 | \$1,415 |
| Long-Term Investments | | \$0 | (\$100,000) |
| Net cash provided by Investing Activities | | \$0 | (\$98,585) |
| FINANCING ACTIVITIES | | | |
| Proceeds from Sale of Common Stock | | \$0 | \$75,300 |
| Line of Credit, Shareholder, net | | (\$5,810) | \$13,782 |
| Net cash provided by Financing Activities | | (\$5,810) | \$89,082 |
| Net cash increase for period | | (\$11,588) | \$13,299 |
| Cash at beginning of period | | \$13,413 | \$114 |
| Cash at end of period | | \$1,825 | \$13,413 |

See Accompanying Notes to the Financial Statements

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Signal Advance, Inc.
Notes to Amended Financial Statements
Years Ended December 31, 2018 and 2017

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

NATURE OF OPERATIONS AND ORGANIZATION: Signal Advance, Inc. (the Company) was incorporated in Texas on June 4, 1992, is an engineering product and procedure development and consulting firm focused on the development of applications for emerging technologies. The Company has significant experience in computer technology, distributed information systems, and data acquisition and analysis systems, as well as, medical education, intellectual property protection and medical-legal litigation support. The Company has focused its resources on the improvement of signal detection systems through the development and refinement of its proprietary technology which has potential application in a wide range of medical applications as well as applications outside of biomedicine.

The costs incurred in acquiring intellectual property assignments as well as the pursuit of domestic and international patent and trademark protection are expensed (included as "Intellectual Property" under expenses on the Statements of Operations for the years ended December 31, 2018 and 2017. These costs include expenses to prepare and prosecute patent applications and protect the IP, include filing and issuance fees, fees for consultants, experts, advisors, patent attorneys, including foreign associates, patent applications, claims and other amendments, responses to office actions, etc. Any patent infringement case may hinder the Company's ability to generate revenues.

CASH AND CASH EQUIVALENTS: The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

INTANGIBLE ASSETS OR LONG LIVED ASSETS: The Company anticipates amortizing intangible assets over their estimated useful lives unless such lives are deemed indefinite. Amortized intangible assets are tested for impairment based on undiscounted cash flows, and, if impaired, written down to fair value based on either discounted cash flows or appraised values. Intangible assets with indefinite lives are tested annually for impairment and written down to fair value as required. No impairment of intangible assets has been identified during any of the periods presented.

USE OF ESTIMATES IN FINANCIAL STATEMENT PREPARATION: The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The Company's financial statements include amounts and all adjustments that, in the opinion of management and based on management's best estimates and judgments, are necessary to make the financial statement not misleading. Actual results could differ from those estimates.

AVAILABLE FOR SALE SECURITIES: The Company holds certain investments that are treated as available-for-sale securities (FASB ASC 320-10-25) and stated at their fair market values. All investments are available for current operations and are classified as other assets in the balance sheet. Unrealized holding gains and losses are included as a component of other comprehensive income (loss) until realized (FASB ASC 320-35-1). Realized gains and losses are included in 'Other Income (Loss)' in the income statement.

INVESTMENTS IN A LIMITED LIABILITY COMPANY: The Company holds a minority (<50%) investment in Biodyne Development, a Limited Liability Company (LLC). The equity method of accounting for investments in general partnerships is generally appropriate for accounting by partners for their investments in limited partnerships if the Company has the ability to exercise significant influence on the LLC. Under the equity method, an investor recognizes its share of the earnings or losses of an investee in the periods for which they are reported by the investee in its financial statements rather than the period in which an investee declares a dividend. The investor adjusts the carrying amount of the investment for its shares of the earnings or losses of the investee after the date of investment and reports the recognized earnings or losses in income. An investor's share of the earnings or losses of the investee shall be based on the equity held by that investor (FASB-ASC 323-10-35).

In the year ended December 31, 2017, the Company provided a license to use Signal Advance technology. In exchange for the initiation of the license for its use for research and development, the Company acquired equity valued at \$100,000. Periodic assessments of impairment are made by the Company. To date, no impairment related to this long-term investment has been recognized.

RESEARCH AND DEVELOPMENT: Research and development costs are expensed as incurred until technological feasibility can be determined (FASB ASC 730-10-25). Upfront and milestone payments made to third parties in connection with research and development collaborations are expensed as incurred up to the point of regulatory approval, marketability, licensing, lease, or sale when the net present value and useful life is able to be determined. Payments made to third parties subsequent to the aforementioned events will be capitalized. Amounts capitalized for such payments will be included in other intangibles, less the net of the accumulated amortization, once their useful lives can be determined.

REVENUE RECOGNITION: The Company revenues are generated by: 1) Providing consulting services; 2) Licensing intellectual property; and 3) Providing consulting services to licensees to facilitate implementation. Revenue is not recognized until it is realized or realizable and earned. The Company recognizes as revenue the fees charged clients as referenced below when 1) persuasive evidence of an arrangement exists, 2) the fees charged as royalties and/or for services are substantially fixed or determinable during the period in which services are provided or royalties are collected, 3) the Company and its clients understand the specific nature and terms of the agreed upon transactions, and 4) collectability is reasonable assured after services have been rendered, or according to a royalty payment schedule.

Consulting Revenue - For revenues generated by providing engineering, scientific and medical/legal consulting services. Services are charged at an hourly rate and clients are charged and revenue is recognized monthly.

License Revenue - As part of the Company's business model and as a result of the Company's on-going investment in research and development, the Company plans to license and sell the rights to certain of its intellectual property (IP) including internally developed patents, trade secrets and technological know-how.

Certain transfers of IP to third parties may be licensing/royalty-based, transaction-based, or other forms of transfer. Licensing/royalty-based fees involve transfers in which the company earns the income over time, as a lump-sum payment or the amount of income is not fixed or determinable until the licensee sells future related products (i.e., variable royalty, based upon licensee's revenue). Accordingly, following delivery and or legal conveyance of rights to the aforementioned IP to the client, and following inception of the license term, revenue is recognized in a manner consistent with the nature of the transaction and the earnings process.

Combined License/Consulting Revenue - in certain circumstances the license agreement will also include consulting services to facilitate the use of the Company's IP, in which case the arrangement may include multiple deliverables. If the client is dependent on the consulting services of the Company to bring value to the license then the license and consulting services will be considered a single unit of accounting. If, however, the license has value to the client, independent of the consulting services provided by the Company, then each deliverable has value on a standalone basis. As such each delivered item or items shall be considered a separate unit of accounting (FASB ASC 605-25).

Alternatively, license terms may contain a citation of milestones of achievement by the licensee. Each milestone may be tied to an increase in the minimum royalty. Under these circumstances, the deliverable, or unit of accounting, consideration may be contingent on the substantive achievement of one or more milestones. As such, revenue is recognized in its entirety in the period in which the milestone is achieved (FASB ASC 605-28).

During the year ended December 31, 2018, the Company recognized \$47,000 in revenues.

PROPERTY AND EQUIPMENT: Fixed Assets (land, buildings and equipment) are carried at cost less accumulated depreciation. Depreciation is based on the estimated service lives of depreciable assets and is provided using the straight line method. In the case of disposals, assets and related depreciation are removed from the accounts, and the net amounts, less proceeds from disposal, are included in income.

During the flood resulting from Hurricane Harvey, the Company incurred a casualty loss resulting in the write-down of the carrying value of its property and equipment to zero. Additional casualty losses totaling \$28,797 were expensed during the year-ended December 31, 2018.

INCOME TAXES: The Company takes an asset and liability approach to financial accounting and reporting for income taxes. The difference between the financial statement and tax basis of assets and liabilities is determined annually. Deferred income tax assets and liabilities are computed for those differences that have future tax consequences using the currently enacted tax laws and rates that apply to the periods in which they are expected to affect taxable income. Valuation allowances are established, if necessary, to reduce the deferred tax asset to the amount that will assure full realization (FASB ASC 740). As of December 31, 2017, the Company recorded a valuation allowance that reduced its deferred tax assets to zero.

CONCENTRATIONS OF CREDIT RISK: Financial instruments which potentially subject the Company to significant concentrations of credit risk consist primarily of investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities can occur in the near term and that each change could materially affect the amounts reported in the financial statement.

GOING CONCERN: The Company is currently conducting operations, however, has not yet generated sufficient operating revenue to fund its development activities to date. As such, the Company has relied on funding by the Company's President and the sale of its common stock. There is a substantial doubt that the Company will generate sufficient revenues in future years to meet its operating cash requirements. Accordingly, the Company's ability to continue operations in the short-term depends on its success in obtaining equity or debt financing in an amount sufficient to support its operations. This could raise doubt as to its ability to continue as a going concern. The financial statements do not include any adjustments that might result from this uncertainty.

NOTE B - INTELLECTUAL PROPERTY

Intellectual property protection is being pursued for the specifically identifiable intellectual property (IP) termed Signal Advance technology. The patents are filed in the name of the inventor, Chris M. Hymel, Ph.D., the Company President and assigned by Dr. Hymel (Assignor) to the Company (Assignee) under an Intellectual Property Assignment Agreement. The following table lists the patent applications and issued patents and their respective status:

| Patent Office | Patent or Appl. No. | Status |
|---------------|---------------------|-------------------|
| United States | 8452544 | Granted May 2013 |
| China | ZL 200880015288.2 | Granted Nov. 2012 |
| Europe | EP 08 75 4879.8 | Granted Jan. 2017 |
| Mexico | MX/A/2009/00921 | Granted Apr. 2014 |
| India | 3465/KOLNP/2009 | Under examination |

Additional patent submissions related to specific applications, SA circuit configurations, and signal processing techniques as well as claims related to the Neural training system technology are under consideration.

The IP derives from an assignment of the IP in the form of a patent application filed with the United States Patent and Trademark Office as well as any patents which issue as a result of U.S. and related international patent applications.

As ASSIGNEE, the Company is responsible for:

- 1) funding and executing activities required for any regulatory approval, development, implementation and commercialization;
- 2) introducing assigned products which incorporate the patent pending or patented technology to the commercial market;
- 3) make its best efforts to: a) develop and market assigned products and services, and, b) increase and extend the commercialization of assigned products, and
- 4) commence the advertising and marketing assigned products not later than 24 months following the granting of the patent

The license was privately negotiated between the Company's President, Dr. Hymel (Assignor) and the remaining members of the board of directors for the Company (Assignee). Consideration to license the IP was 1,525,000 shares of SA common stock that was expensed as the agreement is a transaction between entities under common control (FASB ASC 805-50-30-5, 6). The value of the common stock issued was based on the most recent private sales of stock (FASB ASC 505-50-30-6). In addition, royalties are payable to Assignor on net sales and/or license fees as follows: a) <\$10M: 6%; b) \$10-\$25M: 8%, and c) >\$25M: 10%.

NOTE C - PROPERTY AND EQUIPMENT

Property and equipment as of December 31, 2018 and 2017 are summarized as follows:

| | 2018 | 2017 |
|--|-------------|-----------------|
| Cost / Basis | \$ 0 | \$ 126,606 |
| Accumulated depreciation | 0 | (124,494) |
| Write-down due to Casualty Loss | 0 | (2,112) |
| Total property and equipment, net | \$ 0 | \$ 2,777 |

There was no depreciation expense during the year-ended December 31, 2018. Depreciation expense during the year-ended December 31, 2017 was \$1,362.

NOTE D - AVAILABLE FOR SALE SECURITIES

The Company currently has no Available for Sale Securities

NOTE E - INCOME TAXES

The Company follows ASC 740-10-50 "Accounting for Income Taxes." Deferred income taxes reflect the net effect of (a) temporary difference between carrying amounts of assets and liabilities for financial purposes and the amounts used for income tax reporting purposes, and (b) net operating loss carry-forwards. No net provision for refundable Federal income tax has been made in the accompanying statement of loss because no recoverable taxes were paid previously. Similarly, no deferred tax asset attributable to the net operating loss carry-forward has been recognized, as it is not deemed likely to be realized.

The provision for refundable federal income tax consists of the following for the periods ending:

| | December 31, 2018 | December 31, 2017 |
|---|----------------------|----------------------|
| Federal income tax benefit attributed to: | | |
| Net operating loss | 92,782 | 124,857 |
| Valuation allowance | (92,782) | (124,857) |
| Net benefit | - | - |
| The cumulative tax effect at the rate of 21% of significant items comprising our net deferred tax amount is as follows: | December 31, 2018 | December 31, 2017 |
| Deferred tax attributed: | | |
| Net operating loss carryover | 1,220,297 | 1,200,813 |
| Less: change in valuation allowance | (1,220,297) | (1,200,813) |
| Net deferred tax asset | - | - |

At December 31, 2018, the Company had an unused net operating loss carry-forward approximating \$5,810,938 that is available to offset future taxable income; the loss carry-forwards will start to expire in 2028.

NOTE F - LINE OF CREDIT - SHAREHOLDER

The President has loaned funds to the Company under the terms of a Line of Credit Promissory Note negotiated with, and approved by, the Board of Directors. The line of credit is due on demand, unsecured, and bears interest at 2.5% per quarter. During the year ended December 31, 2017, the Company repaid \$77,000 of the Line of Credit with 770,000 shares of the Company's common stock. During the year ended December 31, 2018, the Company repaid \$100,000 of the Line of Credit payable with 2,000,000 shares of the Company's common stock. As of December 31, 2018, the remaining balance payable was \$20,352 and included accrued interest of \$3,628.

NOTE G - FACILITIES LEASE

The Company currently leases office space, from its president, on a month to month basis at a rate of \$700 per month. Rental expense amounted to \$8,400 for the years ended December 31, 2018 and 2017.

NOTE H – EQUITY

During the year ended December 31, 2017, the Company made the following Common Stock issuances:

- 1) 275,000 shares of common stock valued at \$27,500 to consultants in exchange for services.
- 2) 80,000 shares of common stock valued at \$8,000 to Officers and Directors in exchange for services.
- 3) 770,000 shares of common stock valued at \$77,000 to partially repay the related party line of credit.
- 4) 753,000 shares of Common stock were sold for \$75,300 cash.

During the year ended December 31, 2018, the Company made the following Common Stock issuances:

- 5) 50,000 shares of common stock valued at \$2,500 to consultants in exchange for services.
- 6) 100,000 shares of common stock valued at \$5,000 to Officers and Directors in exchange for services.
- 7) 2,000,000 shares of common stock valued at \$100,000 to partially repay the related party line of credit.