

Optical Systems Inc.  
Consolidated Balance Sheet  
4th Quarter  
October 1, 2009 to December 31, 2009

Consolidated

**ASSETS**

<b>Current Assets</b>	
Total Checking/Savings	\$(38)
Accounts Receivable	9,382
Other Current Assets	<u>64,335</u>
<b>Total Current Assets</b>	<u>73,679</u>
Fixed Assets less accumulated dDepreciation-\$(22,009)	<u>47,491</u>
<b>Other Assets</b>	
Save a Deal System	300,000
Subscription Receivable	<u>213,000</u>
<b>Total Other Assets</b>	<u>513,000</u>
<b>TOTAL ASSETS</b>	<u>\$634,170</u>

**LIABILITIES AND SHAREHOLDER'S EQUITY**

<b>Current Liabilities</b>	
Accrued Payables	<u>\$137,385</u>
<b>Total Current Liabilities</b>	<u>137,385</u>
<b>Long Term Liabilities</b>	
Due to Galaxy	10,429
Loans	<u>240,366</u>
<b>Total Long Term Liabilities</b>	<u>250,795</u>
<b>Total Liabilities</b>	<u>388,180</u>
<b>SHAREHOLDER'S EQUITY</b>	
Preferred Stock	\$ .0001 par value
	10,000,000 shares authorized
	-0- outstanding
Common Stock	\$ .0001 par value
	200,000,000 shares authorized
	195,365,198 outstanding
	19,090
Additional Paid in Capital	2,842,114
Retained Earnings	(2,556,034)
Net Income	<u>(59,180)</u>
<b>Total Equity</b>	<u>245,990</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u>\$634,170</u>

\*These financial statements and notes thereto present fairly, in all material respects the financial position of the company and the results of its operations and cash flows for the periods presented, in conformity with the accounting principles generally accepted in the United States, consistently applied and hereby certified by B.J. Grisaffi for Optical System, Inc.

The accompanying notes are an integral part of these financial statements

Optical Systems, Inc  
Consolidated Statement of Operations  
4th Quarter  
October 1, 2009 to December 31, 2009

	Consolidated
<b>Sales</b>	<u>\$16,755</u>
<b>Expense</b>	
Payroll	25,034
Selling	
Administrative	48,584
Depreciation	2,317
<b>Total operating expense</b>	<u>75,935</u>
<b>Net Loss from Operations</b>	<u>\$(59,180)</u>
Net Loss per share	<u>(0.030)</u>
Weighted Average Common Shares Outstanding	<u>195,365,198</u>

\*These financial statements and notes thereto present fairly, in all material respects the financial position of the company and the results of its operations and cash flows for the periods presented, in conformity with the accounting principles generally accepted in the United States, consistently applied and hereby certified by B.J. Grisaffi for Optical System, Inc.

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

Optical Systems Inc  
Consolidated Cash Flow  
4th Quarter  
October 1, 2009 to December 31, 2009

	Consolidated
<b>OPERATING ACTIVITIES</b>	
Net Income	(59,180)
to net cash provided by operations:	
Employee Advances	
Accrued Expenses	864
Net cash provided by Operating Activities	<u>(58,316)</u>
<b>INVESTING ACTIVITIES</b>	
Telephone	0
Accumulated Depreciation	2,317
Net cash provided by Investing Activities	<u>2,317</u>
<b>FINANCING ACTIVITIES</b>	
loans from Stockholder's	57,500
Net cash provided by Financing Activities	<u>57,500</u>
Net cash increase for period	1,501
Cash at beginning of period	-1,540
Cash at end of period	<u><u>-39</u></u>

\*These financial statements and notes thereto present fairly, in all material respects the financial position of the company and the results of its operations and cash flows for the periods presented, in conformity with the accounting principles generally accepted in the United States, consistently applied and hereby certified by B.J. Grisaffi for Optical System, Inc.

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

Optical Systems, Inc.  
Consolidated Statement of Stockholders' Equity  
4th Quarter  
October 1, 2009 to December 31, 2009

	Amount	Additional Paid in Capital	Accumulated Deficit	Total Shareholders' Equity	
Balance, December 31, 2008	105,570,000	\$10,557	\$2,818,114	\$(2,374,697)	\$453,974
Common Stock issued	275,000	275			
Net Income 1st Quarter March 31, 2009				(32,820)	(32,820)
Balance March 31, 2008	108,320,000	10,832	2,818,114	(2,407,517)	421,429
Common Stock for Subscription Receivable					-
Common Stock issued for Services	82,576,923	8,258			8,258
Net Income 2nd Quarter June 30, 2009				(83,637)	(83,637)
Balance June 30, 2008	190,896,923	19,090	2,818,114	(2,491,154)	346,050
Net Income 3rd Quarter September 30, 2009				(64,880)	(64,880)
Equity Balance September 30, 2009	190,896,923	19,090	2,818,114	(2,556,034)	281,170
Net Income 4th Quarter December 31, 2009	446,827		24,000	(59,180)	(35,180)
Equity Balance December 31, 2009	195,365,198	\$19,090	\$2,842,114	\$(2,615,214)	\$245,990

\*These financial statements and notes thereto present fairly, in all material respects the financial position of the company and the results of its operations and cash flows for the periods presented, in conformity with the accounting principles generally accepted in the United States, consistently applied and hereby certified by B.J. Grisaffi for Optical System, Inc.

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

## OPTICAL SYSTEM, INC.

### Note 1. - General Organization and Business

Optical Systems, Inc. (OSI) was formed and incorporated in the state of New Jersey in 1992. The Company was the successor in a reverse merger transaction effective June 30, 1997, changing the state of domicile to Florida and resulting in OSI stock trading on OTC Bulletin Board system using the symbol: OPSY. In May 2000 the company filed a Chapter 7 voluntary Bankruptcy court petitions and all assets were applied to liabilities. In May 2001 a final decree was entered and the bankruptcy case closed.

The Company (OSI) was inactive until October 2007 when it acquired Automotive Software Designers, Inc., a Nevada corporation, with the issuance of 75,400,000 shares of common stock. In anticipation of the acquisition, OSI amended its articles of incorporation to increase common stock to 200,000,000 shares with a par value of \$.0001. Automotive Software Designers, Inc. is the successor to the business of ASDI two shareholders who are officers of OSI. ASDI owns and distributes a completely integrated management system for new and used car dealerships.

### Note 2. -Summary of Significant Accounting Practices

#### ***Accounting Basis***

The basis is generally accepted accounting principles

#### ***Earnings per Share***

The basic earnings (loss) per share are calculated by dividing the Company's net income (loss) available to common shareholders by the weighted average number of common shares during the year. The diluted earnings (loss) per share is calculated by dividing the Company's net income (loss) available to common shareholders by the diluted weighted average number of shares outstanding during the year. The diluted weighted average number of shares, 195,365,198, outstanding is the basic weighted number of shares adjusted as of the first of the year for any potentially dilutive debt or equity.

#### ***Dividends***

The Company has not yet adopted any policy regarding payment of dividends. No dividends have been paid during the periods shown.

#### ***Income Taxes***

The provision for income taxes is the total of the current taxes payable and the net of the change in the deferred income taxes. Provision is made for the deferred income taxes where differences exist between the periods in which transactions affect current taxable income and the period in which they enter into the determination of net income in the financial statements.

#### ***Use of Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and

assumptions that affect 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.

### Note 3. - Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company's continuation as a going concern is dependent on its ability to meet its obligations, to obtain additional financing as may be required and ultimately to attain profitability. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

### Note 4. – Stockholders' Equity

#### Authorized

The Company is authorized to issue 200,000,000 shares of \$.0001 par value common stock and 10,000,000 shares of \$.0001 par value preferred stock. All common stock shares have equal voting rights, are non-assessable and have one vote per share. Voting rights are not cumulative and, therefore, the holders of more than 50% of the common stock could, if they choose to do so, elect all of the directors of the Company. The preferred shares may be issued in series, with the powers, rights and limitations of the preferred shares to be determined by the Board.

### Note 5. – Provision for Income Taxes

The Company provides for income taxes under that Statement of Financial Accounting Standards NO.109. Accounting for Income Taxes SFAS No.109 requires the use of an asset and liability approach in accounting for income taxes. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities and the tax rates in effect when these differences are expected to reverse.

SFAS No.109 requires the reduction of deferred tax assets by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some sort or all of the deferred tax assets will not be realized. All of the expenditures this far have been to organize the Company and will not be expensed for tax purposes until the Company has operations.

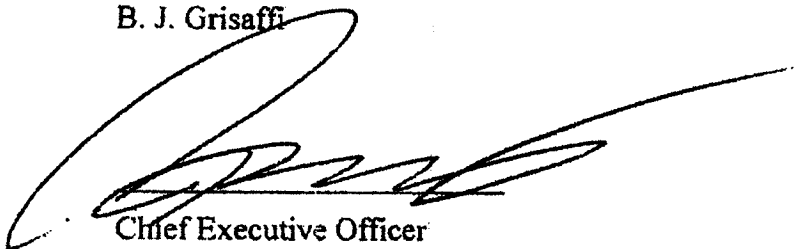
The provision for income taxes is comprised of the net changes in deferred taxes less the valuation account plus the current taxes payable as shown in the chart below:

Net changes in Deferred Tax Benefit	
less than valuation account	0
Current Taxes Payable	<u>0</u>
Net Provision for Income Taxes	<u>0</u>

The Federal Income Tax filings are not current with the Company.

The financial statements, and the notes thereto, are based on the best information currently available to the Company, and to the best of my knowledge present fairly, in all material respects, the financial position of the Issuer and the results of its operations and cash flow for the periods presented, in conformity with accounting principles generally accepted in the United States, consistently applied and certified by B.J. Grisaffi, CEO of Optical Systems, Inc.

B. J. Grisaffi

A large, stylized handwritten signature in black ink, appearing to read 'B. J. Grisaffi', is written over the printed name.

Chief Executive Officer

Optical Systems, Inc.