

# INFORMATION AND DISCLOSURE STATEMENT

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Pursuant to Rule 15c2-(11)(a)(5)

For

**CARBON CREDITS INTERNATIONAL, INC**

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Dated: December 15, 2011

All information contained in this Information and Disclosure Statement has been compiled to fulfill the disclosure requirements of Rule 15c2-11 (a)(5) promulgated under the Securities and Exchange Act of 1934, as amended. The enumerated captions contained herein correspond to the sequential format as set forth in the rule.

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## **INFORMATION AND DISCLOSURE STATEMENT**

All information contained in this Information and Disclosure Statement has been compiled to fulfill the disclosure requirements of Rule 15c2-11 (a)(5) promulgated under the Securities and Exchange Act of 1934, as amended. The enumerated captions contained herein correspond to the sequential format as set forth in the rule.

No dealer, salesman or any other person has been authorized to give any information or to make any representations not contained herein in connection with the Issuer. Any representations not contained herein must not be relied upon as having been made or authorized by the Issuer.

Delivery of this information does not imply that the information contained herein is correct as of any time subsequent to the date of this Issuer Information and Disclosure Statement.

### **Part A. General Company Information**

#### **Item 1. The exact name of the Issuer and its predecessor (if any).**

The name of the Issuer is: Carbon Credits International, Inc.

The names of its predecessors are: None

#### **Item 2. The address of the Issuer's principal executive offices.**

7212 S. 30<sup>th</sup> St  
Phoenix, AZ 85042  
Phone: 602-481-1344  
Fax: 602-358-7018

#### **Item 3. The jurisdiction(s) and date of the Issuer's incorporation or organization.**

The Issuer was incorporated in the State of Nevada, on October 15, 2007

### **Part B. Share Structure**

#### **Item 4. The exact title and class of securities outstanding.**

As of the date of this Information and Disclosure Statement, the Issuer has two classes of securities outstanding, Common Stock and Preferred Stock.

The Company is authorized to issue 100,000,000 shares of Common Stock.

The Company is authorized to issue 10,000,000 shares of Series A Preferred Stock.

The Company's trading symbol is CARN.PK

The Company's CUSIP for common stock is 141040 20 4

The Company does not have a CUSIP for its Series "A" Preferred stock.

#### **Item 5. Par or stated value and description of the security.**

##### **A. Par or Stated Value. Provide the par or stated value for each class of outstanding securities.**

Common Stock – Par Value \$0.0001  
Preferred Stock Series "A" – Par Value \$0.0001

## B. Common and Preferred Stock Description

Common Stock. The holders of shares of Common Stock shall be entitled (i) to vote on all matters at all meetings of the shareholders of the Corporation on the basis of one vote for each share of Common Stock held of record; (ii) subject to any preferential dividend rights applicable to the Preferred Stock, to receive such dividends as may be declared by the Board of Directors; and (iii) in the event of the voluntary, or involuntary, liquidation or winding up of the Corporation, after distribution in full of any preferential amounts to be distributed to holders of shares of Preferred Stock, to receive all of the remaining assets of the Corporation available for distribution to its shareholders, ratably in proportion to the aggregate number of their shares of Common Stock.

Preferred Stock. The Board of Directors is authorized to issue the Preferred Stock, from time to time, in one or more series. The Board of Directors is further authorized, to establishing, altering or eliminating in respect of the Preferred Stock any dividend, conversion, and liquidation rights, as well as any redemption, or sinking fund provisions. The Preferred Stock series "A" has voting and conversion rights of 4 Common Shares for every 1 Preferred Share.

There exists no such provisions in the Issuer's charter or by law that would delay, defer or prevent a change in control of the Issuer.

### **Item 6. The number of shares or total amount of the securities outstanding for each class of securities authorized.**

#### *Common Stock*

- (i) Period End Date: October 31, 2011
- (ii) Number of shares authorized: 100,000,000
- (iii) Number of shares outstanding: 30,312,900
- (iv) Freely tradable shares (public float): 62,240
- (v) Total number of beneficial shareholders: 1
- (vi) Total number of shareholders of record: 102

#### *Preferred Stock*

- (i) Number of shares authorized: 10,000,000
- (ii) Number of shares outstanding: 6,000,000
- (iii) Freely tradable shares (public float): 0
- (iv) Total number of beneficial shareholders: 1
- (v) Total number of shareholders of record: 1

#### *Common Stock*

- (i) Period End Date: October 31, 2010
- (ii) Number of shares authorized: 100,000,000
- (iii) Number of shares outstanding: 39,113,000
- (iv) Freely tradable shares (public float): 7,755,000
- (v) Total number of beneficial shareholders: 1
- (vi) Total number of shareholders of record: 102

#### *Preferred Stock*

- (i) Number of shares authorized: 10,000,000
- (ii) Number of shares outstanding: 8,000,000
- (iii) Freely tradable shares (public float): 0
- (iv) Total number of beneficial shareholders: 2
- (v) Total number of shareholders of record: 2

#### *Common Stock*

- (i) Period End Date: October 31, 2009
- (ii) Number of shares authorized: 100,000,000
- (iii) Number of shares outstanding: 33,655,000
- (iv) Freely tradable shares (public float): 7,755,000
- (v) Total number of beneficial shareholders: 1
- (vi) Total number of shareholders of record: 102

*Preferred Stock*

- (i) Number of shares authorized: 10,000,000
- (ii) Number of shares outstanding: 8,000,000
- (iii) Freely tradable shares (public float): 0
- (iv) Total number of beneficial shareholders: 2
- (v) Total number of shareholders of record: 10

**Item 7. The name and address of the transfer agent is as follows:**

First American Stock Transfer  
4747 N. 7th Street, Suite 170  
Phoenix, AZ 85014  
602-485-1346  
602-485-4091  
[www.firstamericanstock.com](http://www.firstamericanstock.com)

The transfer agent is registered under the Securities and Exchange Act of 1934 and is regulated by the Securities and Exchange Commission.

**Part C. Business Information**

**Item 8. The nature of the issuer's business.**

**A. Business Development.** The Company marketed energy savings products of which it became the exclusive worldwide licensee on July 25, 2008, and had previously been approved for sale in Asia and Malaysia for the past five years under a private brand name.

**1. The form of organization of the issuer.**

Carbon Credits International, Inc. is a corporation organized under the laws of the State of Nevada.

**2. The year the Issuer was organized.**

October 15, 2007.

**3. The Issuer's fiscal year end.**

The Issuer's fiscal year end date is October 31.

**4. Whether the Issuer has been in bankruptcy, receivership or any similar proceeding.**

Neither the Issuer nor its predecessors have been, nor are in the process of filing for bankruptcy, receivership or any similar proceedings

**5. Any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets.**

The Issuer wrote-off the value of its license, which was valued at \$3,768,744 for the period ending October 31, 2010 due to the inability of Company to sell the products it licensed.

**6. Any default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the Issuer to make payments.**

None.

**7. Any change of control.**

Hans J. Schulte, our sole officer and director, resigned his positions as of December 1, 2011 and appointed Mark Zouvas as sole officer and director.

**8. Any increase of 10% or more of the same class of outstanding equity securities.**

The Issuer has not had any increase of 10% or more of the same class of outstanding equity securities;

**9. Any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization.**

On May 1, 2011, the Company recorded a reverse stock split of 125 to 1, which became effective on June 1, 2011;

**10. Any delisting of the Issuer's securities by any securities exchange or deletion from the OTC Bulletin Board.**

On January 15, 2010, the Issuer filed a form 15-12G with the Commission terminating its registration of its common stock security under Section 12(g).

**11. Any current, past, pending or threatened legal proceedings or administrative actions either by or against the Issuer that could have a material effect on the Issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator. State the names of the principal parties, the nature and current status of the matters, and the amounts involved.**

None.

**B. Business of the Issuer**

**1. The Issuer's primary and secondary SIC Codes.**

Primary: 5960  
Secondary: n/a

**2. If the Issuer has ever "not" conducted operations, is in the development stage, or is currently conducting operations.**

The Issuer has conducted operations for the fiscal year ending October 31, 2011.

**3. Whether the Issuer is or has at any time been a "Shell Company".**

The Issuer is not now, nor has it ever been a "Shell Company" pursuant to Rule 405 of the Securities Act.

**4. The names of any parent, subsidiary, or affiliate of the Issuer, and related information.**

There is no parent, subsidiary, or affiliate of the issuer.

**5. The Effect of existing or probable governmental regulations on the business.**

The Issuer has not been affected by existing or probable governmental regulations on or for its business. There are no existing government regulations nor are we aware of any regulations being contemplated that would adversely affect CCH's ability to operate.

**6. Time spent on research and development Activities.**

There have not been any amounts spent during each of the last two fiscal years on research and development activities on behalf of the Issuer or its business. The Issuer has not incurred any costs to date and has no plans to undertake any research and development activities during the first year of operation.

**7. The costs and effects of compliance with environmental laws (federal, state, and local).**

The Issuer has not incurred any costs to date and has no plans to undertake any research and development activities during the first year of operation. The Issuer is not aware of any environmental laws that have been enacted, nor are we aware of any such laws being contemplated for the future, that address issues specific to our business.

**8. The number of total employees and number of full time employees.**

The Issuer has one current employee; our Chief Executive Officer and sole Director. There is no intention of hiring other employees until the business has been successfully launched and we have sufficient, sustained revenues flowing from our operations or have raised sufficient equity capital. Our officers and directors will perform whatever work is required without paid compensation, until our business is to the point of having available cash flow.

## **Item 9. The nature of products or services offered.**

### **A. principal products or services, and their markets;**

All of the energy savings products of which we became the exclusive world-wide licensee to sell as of July 25, 2008, had previously been approved for sale in Asia, and have been selling in Malaysia for over the past five years under a private brand name. Recent Asian sales by third party agents prior to our obtaining the exclusive license included the Kuala Lumpur International Airport and sales to the Malaysian government where the products were installed in a 500 kilometer stretch of highway. These two installations resulted in revenue sharing from energy savings by the sales agents of Radatech, the licensor.

#### *Principal Products and Services*

The Issuer marketed and distributed three (3) main products detailed below. Each of these products are manufactured by CRI and marketed and distributed by Issuer pursuant to an Exclusive Distribution Agreement with CRI dated July 25, 2008. Each product can be tailored accordingly, depending on the load demands applicable to each particular requirement.

#### ***Reducer™ Enersaver:***

This product is designed to operate on a mixed load set up and will save between 15% and 35% on each installed electrical appliance. The device is connected directly to the clients Distribution Board (DB). This installation requires limited client downtime. Reducer™ Enersaver can operate on 15A single phase supply up to 150A three phase. It works by continuously detecting the required load and self adjusts its reactor coil and auto coil to provide an optimum supply to the load.

#### ***Reducer™ Motorsaver:***

As the name suggests, this product is designed for electric motors and is another intelligent product from Reducer™. We can supply anything from 1.5KW to 300KW depending on the motor's size. This is a powerful device with built in Soft Starter, Variable Speed Devices, and a proprietary Load Detection Mechanism. With this LDM in place, we can save between 25% and 35% on the motor loss by adjusting the power factor of the motor to attain an efficiency of between 0.95 and 0.99. Once we have saved on the motor losses, we then take advantage of the built in VSD to monitor the operational usage. With this function, we can save a further 20% to 30% depending on the motor's sizing.

#### ***Reducer™ Street Light Manager:***

The Street Light Manager is available in two models. The standard system can achieve a minimum 24% saving. The second option is our flagship model incorporating an intelligent system with "dimmer" control, providing savings as high as 45% . The savings for both systems will depend on the programming of our devices in accordance with local laws and highway regulations.

The product name, "Reducer" was inspired by our interest in removing the black or wasted electrical current within any premises or applications, reducing excesses in real power consumption. After we have audited the premises we can provide an average energy saving of 15% to 35% off the actual energy bill. We plan to install our Reducer products to all customers that are interested in savings on their electrical power consumption through qualified electrical contractors that will be trained by CRI personnel in the proper installation of the products.

Our Reducer appliances are compatible with over 95% of the electrical equipment available on the market today. We have a product that is able to provide consistent savings on a mixed load environment without requiring any physical re-wiring to the existing distribution boards.

All of the installations will require periodic visits by a qualified technician who will determine the energy savings to date and replace any parts coming up for replacement based on the installation or last repair/replacement date. CRI's

basic warranty of 3 years covers all service and part replacements. For additional consideration, the basic warranty can be extended to 10 years.

**B. distribution methods of the products or services;**

The Issuer undertook its own direct marketing efforts to promote and sell its licensed products in the Asian market. Regarding brand awareness, we will launch global marketing campaigns, regional advertisements, road shows, seminars and exhibitions to educate and promote our Reducer power saving devices.

**C. The Issuer has no new publicly announced products or services.**

**D. Competitive business conditions, the Issuer's competitive position in the industry, and methods of competition;**

The Issuer was engaged in a rapidly evolving field. Competition from other companies in the same field is intense and expected to increase. The Issuer's competitors have substantially greater resources, research and development staff, sales and marketing staff, and facilities. In addition, other recently developed technologies are, or may in the future be, the basis of competitive products. There can be no assurance that others will not copy and/or sell our products, or that our competitors will not develop technologies and products that are more effective than those developed and being developed by us which could render our technology and products obsolete or noncompetitive.

**E. Sources and availability of raw materials and the names of principal suppliers;**

The Issuer relied on its Licensor, CRI for the availability of resources and raw materials.

**F. Dependence on one or a few major customers:**

The Issuer has had no dependence on one or a few major customers and does not anticipate dependence on one or a few major customers for at least the next 12 months or the foreseeable future.

**G. Patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration; and**

The Issuer distributed its products under license and all trademarks and patents pending are the property of our licensor. We do not intend to obtain any additional trademarks or patents. The Issuer has not entered into any franchise agreements or other contracts that have given, or could give rise to obligations or concessions.

**H. The need for any government approval of principal products or services and the status of any requested government approvals.**

There are no existing government regulations nor are we aware of any regulations being contemplated that would adversely affect the Issuer's ability to operate.

**Item 10. The nature and extent of the Issuer's facilities.**

*Facilities*

Our offices are located at 7212 S 30<sup>th</sup> Street, Phoenix AZ 85042.



**Part D. Management Structure and Financial Information.**

**Item 11. The name of the board of directors, as well as control persons.**

**Mark S. Zouvas                      Sole Officer and Director**

**A. Officers and Directors**

*Mark Zouvas – Chief Executive Officer*

7212 S 30<sup>th</sup> St,  
Phoenix AZ 85042  
Phone: 602-481-1344  
Fax: 602-358-7018

Compensation by the issuer: None

Number and class of the issuer's securities beneficially owned by each such person: none.

**Mark Zouvas** is the Sole Officer and Director has spent more than 20 years founding and leading start-up companies primarily in the oil and gas industry. Mr. Zouvas was previously the CEO of several oil and gas companies and has raised over \$100 million in debt and equity capital for his various business entities. Mr. Zouvas was a former broker and accountant in the state of California and started in business tenure at Price Waterhouse. Mr. Zouvas holds a bachelor's of arts degree from the University of California at Berkeley.

**B. Involvement in Certain Legal Proceedings in the last five years, been the subject of:**

None of the officers, directors, promoters or control persons of the Issuer has been involved in the past five (5) years in any of the following:

- (1) Any bankruptcy petition filed by or against any business of which such person was a general partner or executive officer either at the time of the bankruptcy or within two years prior to that time;
- (2) Any conviction in a criminal proceedings or being subject to a pending criminal proceeding (excluding traffic violations and other minor offenses);
- (3) Being subject to any order, judgment or decree, not subsequently reversed, suspended or vacated, or any Court of competent jurisdiction, permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities; or
- (4) Being found by a court of competent jurisdiction (in a civil action), the Commission or the Commodity Futures Trading Commission to have violated a federal or state securities laws or commodities law, and the judgment has not been reversed, suspended, or vacated.

**C. Disclosure of Family Relationships**

The Current CEO, Mark Zouvas is the brother of the counsel the Issuer used for certain legal matters.

**D. Disclosure of Related Party Transactions**

None.

**E. Disclosure of Conflicts of Interest**

None.

**Item 12. Financial information for the Issuer's most recent fiscal period.**

**CARBON CREDITS INTERNATIONAL, INC.**  
**(A DEVELOPMENT STAGE ENTERPRISE)**

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**CARBON CREDITS INTERNATIONAL, INC.**  
**(A DEVELOPMENT STATE ENTERPRISE)**  
**BALANCE SHEETS**  
**(Internally prepared by management)**

<u><b>ASSETS</b></u>	<b>October 31, 2011</b>	<b>October 31, 2010</b>
<b>CURRENT ASSETS</b>		
Cash	\$ 0	\$ 0
Accounts receivable-affiliate	0	0
Prepaid Expenses	0	0
Total Current Assets	0	0
<b>EQUIPMENT</b>		
Computer,net	0	0
<b>OTHER ASSETS</b>		
Website development cost	0	2,375
License	1,000,000	2,000,000
Total other assets	1,000,000	2,002,375
Total assets	\$ 1,000,000	\$ 2,002,375
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ -	\$ -
Accrued liabilities	17,500	17,500
Shareholders advances	-	-
Total current Liabilities	17,500	17,500
<b>STOCKHOLDERS EQUITY</b>		
Class A Convertible Preferred stock, \$.0001 par value,10,000,000 shares authorized, 6,000,000 shares issued and outstanding (2011) and 8,000,000 issued and outstanding (2010)	600	800
Common stock, par value \$.0001, 100,000,000 shares authorized, 30,312,904 shares issued and outstanding (2011) 39,113,000 shares issued and outstanding (2010)	3,031	31
Additional paid in capital	5,259,075	5,231,875
Stock subscriptions payable	8,472	8,472
Deficit accumulated during development stage	(4,288,678)	(3,256,303)
Total stockholders' equity	982,500	1,984,875
Total liabilities & stockholders' equity	\$ 1,000,000	\$ 2,002,375

**(Unaudited)**

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

**CARBON CREDITS INTERNATIONAL, INC.**  
**(A DEVELOPMENT STATE ENTERPRISE)**  
**STATEMENT OF OPERATIONS**  
**(Internally prepared by management)**  
**(Unaudited)**

	<b>Year Ended <u>October 31, 2011</u></b>	<b>Year Ended <u>October 31, 2010</u></b>	<b>Cumulative From Inception (October 15, 2007) <u>to October 31, 2011</u></b>
REVENUES	\$ -	\$ -	\$ -
EXPENSES			
General and administrative: Consulting fees	30,000	12,857	1,164,405
General and administrative:	-	84,678	393,405
Impairment of License	1,000,000	1,768,774	2,768,774
Depreciation and amortization	2,375	3,749	80,815
Total expenses	1,032,375	1,870,058	4,407,399
OTHER INCOME-Interest	-	-	224
NET LOSS	\$ (1,032,375)	\$ (1,870,058)	\$ (4,405,263)
NET LOSS PER SHARE - BASIC	\$ (0.04)	\$ (0.05)	
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING-BASIC	27,212,952	35,460,750	

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

**CARBON CREDITS INTERNATIONAL, INC.**  
**(A DEVELOPMENT STATE ENTERPRISE)**  
**STATEMENT OF CASH FLOWS**  
**(Internally prepared by management)**  
**(Unaudited)**

	<u>Year Ended</u> <u>October 31, 2011</u>	<u>Year Ended</u> <u>October 31, 2010</u>	<u>Cumulative Inception</u> <u>October 5, 2007 to October</u> <u>31, 2011</u>
<b>OPERATING ACTIVITIES</b>			
Net loss	\$ (1,032,375)	\$ (1,870,058)	\$ (4,405,263)
Adjustments to reconcile net loss to net cash used by operating activities:			
Depreciation and amortization	2,375	3,749	80,815
Common stock issued at spin off	-	-	2,420
Preferred stock issued for services	-	-	600
Common stock issued for services	-	43,600	897,542
Compensation considered as addition to capital	1,000,000	1,504,601	2,849,517
Changes in operating assets and liabilities:			
(Increase) decrease in accounts receivable-affiliate	-	-	-
Increase (decrease) in accounts payable	30,000	20,000	1,017,079
(Increase) decrease in prepaid expenses	-	1,098	1,098
Increase (decreases) in accrued liabilities	-	145,491	451,987
<b>Net cash used by operating activities</b>	<u>0</u>	<u>(151,520)</u>	<u>895,793</u>
<b>INVESTING ACTIVITIES</b>			
Website development costs	-	-	(7,124)
License costs	-	-	-
Purchase of equipment	-	-	(2,454)
<b>Net cash used by investing activities</b>	<u>-</u>	<u>-</u>	<u>(9,578)</u>
<b>FINANCING ACTIVITIES</b>			
Proceeds from sale of common stock	-	182,096	220,857
Proceeds from shareholder advances	-	-	133,676
Proceeds received in advance of stock subscriptions	-	-	23,652
Payment of shareholder advances	-	(43,094)	(90,581)
<b>Net cash provided by financing activities</b>	<u>-</u>	<u>139,002</u>	<u>287,604</u>
<b>NET INCREASE/(DECREASE) IN CASH</b>	-	(12,518)	1,173,819
<b>CASH, BEGINNING OF PERIOD</b>	<u>-</u>	<u>12,518</u>	<u>12,518</u>
<b>CASH, END OF PERIOD</b>	<u>\$ -</u>	<u>\$ -</u>	<u>1,186,337</u>
<b>NON-MONETARY TRANSACTION</b>			
Stock issued for licensing agreement 6,000,000 shares issued at \$0.64 per share	\$ -	\$ -	\$ 3,840,000
Officers' compensation contributed to capital	<u>\$ 30,000</u>	<u>\$ 30,000</u>	<u>\$ 343,443</u>
Stock issued for subscriptions payable 46,000 shares issued at \$0.33 per share	<u>\$ -</u>	<u>\$ -</u>	<u>15,180</u>

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

**CARBON CREDITS INTERNATIONAL, INC.**  
**(A DEVELOPMENT STATE ENTERPRISE)**  
**STATEMENT OF STOCKHOLDERS EQUITY**  
**(Internally prepared by management)**  
**(Unaudited)**

	Preferred Stock		Common Stock			Stock	Deficit During	Total
			Shares After Reverse Split	Par Value Capital	Paid-in Capital	Subscriptions Payable	Development Stage	Stockholders' Equity
<b>Balance October 31, 2009</b>	8,000,000	800	269,304	27	5,093,379	8,472	(1,502,759)	3,599,919
Shares issued to Kevin Brian Matthews for services rendered, 500,000 shares of common stock on Feb 2, 2010 @ \$3.75			4,000	0	15,000			15,000
Share issued to Richard Croft for Services rendered, 250,000 shares of common stock on February 2, 2010 @ \$3.75			2,000	0	7,500			7,500
Compensation to Hans Shulte 1,000,000 shs of common stock @ \$0.03 on Feb 2, 2010 Vauluation as of issue date \$3.75			8,000	1	29,999			30,000
Shares issued as payment for services rendered to Adam Kirley, 1,200,000 shares of common stock @ \$3.75 on Feb 5, 2010			9,600	1	35,999			36,000
Shares issued for services rendered to Marco Lem, 400,000 shares of common stock on July 19, 2010 @ \$2.50			3,200	0	8,000			8,000
Shares issued for services rendered to PG Brinkman, 200,000 shares of common stock on July 19, 2010 @ \$2.50			1,600	0	4,000			4,000
Shares issued for services rendered to Gemini Emterprise, 400,000 shares of common stock on July 19, 2010 @ \$2.50			3,200	0	8,000			8,000
Shares issued for services rendered to Miranda Brinkman, 200,000 shares of common stock on July 19, 2010 @ \$2.50			3,200	0	8,000			8,000
Shares issued for services rendered to Gordon Cooper, 500,000 shares of common stock on July 19, 2010 @ \$2.50			4,000	0	10,000			10,000
Shares issued for services rendered to Martin Lissenburg, 200,000 shares of common stock on July 19, 2010 @ \$2.50			1,600	0	4,000			4,000
Shares issued for services rendered to David Williams, 200,000 shares of common stock on July 19, 2010 @ \$2.50			1,600	0	4,000			4,000
Shares issued for services rendered to Clive Goble, 200,000 shares of common stock on July 19, 2010 @ \$2.50			1,600	0	4,000			4,000
<b>Net loss</b>							(1,753,544)	(1,753,544)
<b>Balance October 31, 2010</b>	8,000,000	800	312,904	31	5,231,875	8,472	(3,256,303)	1,984,873

**CARBON CREDITS INTERNATIONAL, INC.**  
**(A DEVELOPMENT STATE ENTERPRISE)**  
**STATEMENT OF STOCKHOLDERS EQUITY**  
**(Internally prepared by management**  
**Continued)**  
**(Unaudited)**

Preferred Shares Cancelled on June 2, 2011 originally issued to Ivan Braverman	(2,000,000)	(200)			200			-
Shares Issued in consideration of services rendered to Hans Shulte, 30,000,000 shares of common stock @ \$0.0001 on September 4, 2011 Valuation as of issue date \$1.25			30,000,000	3,000	27,000			30,000
<b>Net loss</b>							(1,032,375)	(1,032,375)
Balance October 31, 2011	6,000,000	600	30,312,904	3,031	5,259,075	8,472	(4,288,678)	982,500

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

**CARBON CREDITS INTERNATIONAL, INC.**

**CONDENSED NOTES TO FINANCIAL STATEMENTS**

**October 31, 2011**

**(INTERNALLY PREPARED BY MANAGEMENT)**

**(UNAUDITED)**

**NOTE 1 - DESCRIPTION, BACKGROUND BASIS OF PRESENTATION**

***History***

CARBON CREDITS INTERNATIONAL, INC., ("CCII", "the Company", "we", "our" or "its"), which was formed on October 15, 2007 as a Nevada corporation, was the result of a spin off from Carbon Credits Industries, Inc. (CCII), our former parent company, on October 17, 2007. 24,196,000 shares of common stock were issued to the shareholders of CCI on a share for share basis ownership. No assets or liabilities were included in the spin off and there was no previous history or operations of CCII.

The spin off of CCII was done for the purposes of establishing a separate publicly held entity to become the exclusive licensee for the world-wide marketing and sales of electrical energy savings products manufactured presently in Malaysia by the licensor, Carbon Reducer Industries SDN BHD, (CRI). CRI is a Malaysian corporation, formed on November 29, 2007 by Hans J. Schulte (HJS) and Dr. Prabakaran Subramaniam (Praba). The predecessor manufacturing company to CRI was Radatech Corporation SDN BHD (Radatech), also a Malaysian corporation whose stock was owned by HJS and Praba, the latter person being the sole inventor of the energy savings products. A patent pending is currently on file by Praba. After CRI was incorporated, it entered into a licensing agreement with Radatech, enabling CRI to become the exclusive manufacturer of energy savings products developed by Radatech.

The Company has realized \$1,912 of revenues since inception. As of October 31, 2011, the Company has an accumulated deficit of \$5,253,678.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Cash and Cash Equivalents***

The Company considers all highly liquid investments with the original maturities of three months or less to be cash equivalents.

***Income Taxes***

The Company uses the liability method of accounting for income taxes pursuant to FASB ASC 740-10. Under this method, deferred income taxes are recorded to reflect the tax consequences in future periods of temporary differences between the tax basis of assets and liabilities and their financial amounts at year-end. As of October 31, 2011, the Company had a net operating loss carry forward, however, due to the uncertainty of realization, the Company has provided a full valuation allowance for deferred tax assets resulting from this net operating loss carry forward.

***Earnings (loss) Per Common Share***

Basic loss per common share has been calculated based upon the weighted average number of common shares outstanding during the period in accordance with the Statement of FASB ASC 260-10, "Earnings per Share". Common stock equivalents are not used in the computation of loss per share, as their effect would be antidilutive.

***Use of Estimates in the Preparation of Financial Statements***

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, 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 periods. Actual results could differ from those estimates and assumptions.

***Fair Value of Financial Instruments***

FASB ASC 825-10, "Financial Instruments," defines the fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. The carrying values of our financial instruments, which consists of current assets and liabilities approximate fair values due to the short-term maturities of such instruments.



## ***Research and Development***

As licensee, we will not embark on any research or development activities, as such activities will be provided by our licensor, CRI. However, we agreed to pay for all necessary approvals required within the countries we plan to sell our licensed products.

## ***Commission Income***

We earn commissions on product sales pursuant to the amended exclusive worldwide license agreement dated June 24, 2008, as further described in Note 10 Commitments. Such commissions are considered earned and recorded at the time shipment by CRI to its distributors or customers occurs. By agreement, CRI is to pay our commissions 30 days after the month in which CRI collects the entire sales amount from its distributors or customers. To date all commissions have been earned from products shipped within Malaysia.

## ***Product Sales***

Our product revenues, when earned, will result from either the direct sale of our licensed products to customers or commissions earned from the sale of products through CRI's distributors or sales agents. To assist us in developing worldwide sales, energy sharing arrangements, and commissions, we anticipate the ultimate need to have licensed sales agents and/or distributors in many countries in the future. However, because substantial revenues may be obtained by a relatively large number of high-energy use customers, we may avoid these arrangements in certain locations for the near term. Our accounting policy for revenue recognition will be to record sales and cost of sales upon shipment and after installation of the products using the criteria set forth in FASB ASC 605-25 "Multiple-Element Arrangements" for deliverables, based on continuing performance criteria which would also be applied to revenue sharing below.

## ***Revenue Sharing***

As an alternative to selling our licensed products to customers, we can achieve revenues by sharing in the electrical energy savings our customers will have using our products. In this option, we would acquire and install the products through third parties, capitalize and depreciate them, including all associated costs. Initially we thought financing these products by using the customer's written energy sharing agreement would be possible. Due to the current impact of a global recession and limited outside financing, we now believe our best option for financing will be to raise these funds through private placements of our own common stock.

Once adequate financing is obtained, our licensed products could be installed and maintained at our expense throughout the term of the energy sharing agreements, which, in most cases, would be for a minimum of 10 years and possibly have a residual energy sharing arrangement in perpetuity where we continue to maintain the equipment.

Revenue from energy sharing would be recognized in accordance with FASB ASC 605-25, based on continuing performance criteria. Associated costs of maintaining our products in connection with revenue recognition would be classified as cost of revenue in our statement of operations. Depreciation expense would be a separately stated item under the caption of costs and expenses in our statement of operations.

It has been the experience of the manufacturer/licensor of our products that energy sharing is the better option for larger companies, since they will have no substantial out of pocket costs in achieving and maintaining their energy savings, from which the products are paid for. Customers will be required to support all incurred past and current energy costs as a basis for evaluating potential energy savings amounts. Installations are designed to be inspected every 6 months at which time updated energy costs are to be obtained as a basis for adjusting shared savings amounts.

## ***Website Development***

During 2008, we began the development of a new website that reflected our new logo and branding. We also added our upcoming line of products for reference. It was completed and was accessible by October 31, 2008. According to FASB ASC 350-20, we capitalized website development costs of \$7,124, and commenced its amortization over three years starting in November 2008. As of October 31, 2011, these costs have been fully amortized.

## ***Equipment***

Equipment is recorded at cost and is located in Bangkok, Thailand. Depreciation is provided over the estimated useful lives of the related assets using the straight-line method. The estimated useful life for equipment, consisting of a computer laptop acquired in June 2008, was 3 years. As of October 31, 2011, this cost has been fully depreciated.

### NOTE 3 - THE EFFECT OF RECENTLY ISSUED ACCOUNTING STANDARDS

#### New Accounting Standards Not Yet Adopted

Below is a listing of the most recent accounting standards and their effect on the Company.

In January 2010, the FASB (Financial Accounting Standards Board) issued Accounting Standards Update 2010-03 (ASU 2010-03), *Extractive Activities—Oil and Gas (Topic 932): Oil and Gas Reserve Estimation and Disclosures*. This amendment to Topic 932 has improved the reserve estimation and disclosure requirements by (1) updating the reserve estimation requirements for changes in practice and technology that have occurred over the last several decades and (2) expanding the disclosure requirements for equity method investments. This is effective for annual reporting periods ending on or after December 31, 2009. However, an entity that becomes subject to the disclosures because of the change to the definition oil- and gas- producing activities may elect to provide those disclosures in annual periods beginning after December 31, 2009. Early adoption is not permitted. The Company does not expect the provisions of ASU 2010-03 to have a material effect on the financial position, results of operations or cash flows of the Company.

In January 2010, the FASB issued Accounting Standards Update 2010-02, *Consolidation (Topic 810): Accounting and Reporting for Decreases in Ownership of a Subsidiary*. This amendment to Topic 810 clarifies, but does not change, the scope of current US GAAP. It clarifies the decrease in ownership provisions of Subtopic 810-10 and removes the potential conflict between guidance in that Subtopic and asset de-recognition and gain or loss recognition guidance that may exist in other US GAAP. An entity will be required to follow the amended guidance beginning in the period that it first adopts FAS 160 (now included in Subtopic 810-10). For those entities that have already adopted FAS 160, the amendments are effective at the beginning of the first interim or annual reporting period ending on or after December 15, 2009. The amendments should be applied retrospectively to the first period that an entity adopted FAS 160. The Company does not expect the provisions of ASU 2010-02 to have a material effect on the financial position, results of operations or cash flows of the Company.

In January 2010, the FASB issued Accounting Standards Update 2010-01, *Equity (Topic 505): Accounting for Distributions to Shareholders with Components of Stock and Cash (A Consensus of the FASB Emerging Issues Task Force)*. This amendment to Topic 505 clarifies the stock portion of a distribution to shareholders that allows them to elect to receive cash or stock with a limit on the amount of cash that will be distributed is not a stock dividend for purposes of applying Topics 505 and 260. Effective for interim and annual periods ending on or after December 15, 2009, and would be applied on a retrospective basis. The Company does not expect the provisions of ASU 2010-01 to have a material effect on the financial position, results of operations or cash flows of the Company.

In December 2009, the FASB issued Accounting Standards Update 2009-17, *Consolidations (Topic 810): Improvements to Financial Reporting by Enterprises Involved with Variable Interest Entities*. This Accounting Standards Update amends the FASB Accounting Standards Codification for Statement 167.

In December 2009, the FASB issued Accounting Standards Update 2009-16, *Transfers and Servicing (Topic 860): Accounting for Transfers of Financial Assets*. This Accounting Standards Update amends the FASB Accounting Standards Codification for Statement 166.

In October 2009, the FASB issued Accounting Standards Update 2009-15, *Accounting for Own-Share Lending Arrangements in Contemplation of Convertible Debt Issuance or Other Financing*. This Accounting Standards Update amends the FASB Accounting Standard Codification for EITF 09-1.

In October 2009, the FASB issued Accounting Standards Update 2009-14, *Software (Topic 985): Certain Revenue Arrangements That Include Software Elements*. This update changed the accounting model for revenue arrangements that include both tangible products and software elements. Effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. Early adoption is permitted. The Company does not expect the provisions of ASU 2009-14 to have a material effect on the financial position, results of operations or cash flows of the Company.

In October 2009, the FASB issued Accounting Standards Update 2009-13, *Revenue Recognition (Topic 605): Multiple-Deliverable Revenue Arrangements*. This update addressed the accounting for multiple-deliverable arrangements to enable vendors to account for products or services (deliverables) separately rather than a combined unit and will be separated in more circumstances under existing US GAAP. This amendment has eliminated that residual method of allocation. Effective prospectively for revenue arrangements entered into or materially modified in fiscal years beginning on or after June 15, 2010. Early adoption is permitted. The Company does not expect the provisions of ASU 2009-13 to have a material effect on the financial position, results of operations or cash flows of the Company.

In September 2009, the FASB issued Accounting Standards Update 2009-12, *Fair Value Measurements and Disclosures (Topic 820): Investments in Certain Entities That Calculate Net Asset Value per Share (or Its*

*Equivalent*). This update provides amendments to Topic 820 for the fair value measurement of investments in certain entities that calculate net asset value per share (or its equivalent). It is effective for interim and annual periods ending after December 15, 2009. Early application is permitted in financial statements for earlier interim and annual periods that have not been issued. The Company does not expect the provisions of ASU 2009-12 to have a material effect on the financial position, results of operations or cash flows of the Company.

#### **NOTE 4 - EARNINGS PER SHARE**

The Company computes net loss per share in accordance with FASB ASC 260-10 "Earnings per Share". Under the provisions of FASB ASC 260-10, basic net loss per share is computed by dividing the net loss available to common stockholders for the period by the weighted average number of shares of common stock outstanding during the period.

Diluted loss per share is computed using the weighted average number of shares and dilutive potential common shares arising from the conversion of preferred shares into common shares at the election of the holders thereof. Potentially dilutive common shares consist of employee stock options, warrants, and unissued restricted common stock, and are excluded from the diluted earnings per share computation in periods where the Company has incurred net losses.

During the year ended October 31, 2011, our loss was \$0.00 per share based on the weighted average number of shares outstanding during the periods of 27,212,952. There were no dilutive securities outstanding.

#### **NOTE 5 - EQUITY TRANSACTIONS**

##### ***Common Shares Issued***

Common Stock: The authorized common stock is 100,000,000 shares at \$0.0001 par value. As of October 31, 2011, we had 30,312,904 shares of common stock issued and outstanding and 6,000,000 preferred shares issued and outstanding.

On May 1, 2011, we reverse-split our common stock at a ratio of 125 to 1.

On February 2, 2010, we issued 500,000 shares (4,000 post-split shares) of our common stock to Kevin Brian Matthews for professional services rendered at a value of \$3.75 per share.

On February 2, 2010, we issued 250,000 shares (2,000 post-split shares) of our common stock to Richard Croft for professional services rendered at a value of \$3.75 per share.

On February 2, 2010, we issued 1,000,000 shares (8,000 post-split shares) of our common stock to Hans J. Schulte, our CEO, for professional services rendered at a value of \$3.75 per share.

On February 5, 2010, we issued 1,200,000 shares (9,600 post-split shares) of our common stock to Adam Kirley for professional services rendered at a value of \$3.75 per share.

On July 19, 2010, we issued 400,000 shares (3,200 post-split shares) of our common stock to Marco Lem for professional services rendered at a value of \$2.50 per share.

On July 19, 2010, we issued 200,000 shares (1,600 post-split shares) of our common stock to PG Brinkman for professional services rendered at a value of \$2.50 per share.

On July 19, 2010, we issued 400,000 shares (3,200 post-split shares) of our common stock to Gemini Enterprise for professional services rendered at a value of \$2.50 per share.

On July 19, 2010, we issued 400,000 shares (3,200 post-split shares) of our common stock to Miranda Brinkman for professional services rendered at a value of \$2.50 per share.

On July 19, 2010, we issued 500,000 shares (4,000 post-split shares) of our common stock to Gordon Cooper for professional services rendered at a value of \$2.50 per share.

On July 19, 2010, we issued 200,000 shares (1,600 post-split shares) of our common stock to Martin Lissenburg for professional services rendered at a value of \$2.50 per share.

On July 19, 2010, we issued 200,000 shares (1,600 post-split shares) of our common stock to David Williams for professional services rendered at a value of \$2.50 per share.

On July 19, 2010, we issued 200,000 shares (1,600 post-split shares) of our common stock to Clive Goble for professional services rendered at a value of \$2.50 per share.

On September 4, 2011, we issued 30,000,000 shares of our common, post split shares to our CEO, Hans J. Schulte, for the re-payment of shareholder advances and other liabilities owed to him by the Company, which we valued at \$.001 per share.

### ***Class A Convertible Preferred Shares Issued***

Preferred Stock: The authorized Series A preferred stock is 10,000,000 shares with \$0.0001 par value.

On June 2, 2011, we cancelled 2,000,000 preferred shares held by our former CFO for lack of consideration (performance of duties) and confirmed the 6,000,000 preferred shares held by our CEO, Hans J. Schulte, as the only preferred shares issued and outstanding.

Preferred shares are convertible at any time into common shares at the rate of 4 common shares for each preferred share owned totaling 32,000,000 shares of common stock after full conversion. No dividends are payable unless declared by the Board of Directors. Each preferred share is entitled to 4 votes and ranks senior to all other classes of stock in liquidation in the amount of \$1 per share.

## **NOTE 6 – RELATED PARTY TRANSACTIONS**

### ***CEO***

During the fiscal year ended October 31, 2011, the Company issued 30,000,000 shares to our CEO of the Company, as payment for accrued compensation and other liabilities owed to him. The shares were valued at \$.001 per and valued at \$30,000. Additionally, all salaries payable to the CEO were forgiven and treated as contributed capital in the year ended October 31, 2010.

## **NOTE 7 - WEBSITE DEVELOPMENT COSTS AND AMORTIZATION**

Commencing November 1, 2008, we began amortizing website development costs ratably over a 3 year period. Accordingly, the cost of the website development has been completely amortized as of October 31, 2011.

## **NOTE 8 - LICENSE COSTS**

On May 21, 2009, we entered into an exclusive worldwide distribution agreement with Carbon Reducer Industries, Ltd. (“CRIL”) of Bangkok, Thailand to market and distribute CRIL’s proprietary next generation energy saving solutions for large energy consuming customers. On May 21, 2009, under the terms of this agreement, we issued of 6,000,000 shares of the Company’s common restricted stock to CRIL at a value to the company of \$0.64 per share, as determined by the closing price of the Company’s stock as of the date of the agreement, or \$3,840,000 in aggregate. The licensing rights have been capitalized at this value. Due to the lack of marketability of the product the Company licensed, it consequently wrote-off the entire amount capitalized for the period ending October 31, 2010, which resulted in a loss of \$3,720,919.

## **NOTE 9 - ACCRUED COMPENSATION**

For the period ending October 31, 2011, there are no amounts accrued for officer or director compensation and no amounts are owed to any individual for salaries or related liabilities

## **NOTE 10 - COMMITMENTS**

### ***Officer Compensation***

As of October 31, 2011, no compensation is due any officer and no compensation was recorded for the same period ending. The company has no other commitments.

## NOTE 11 - INCOME TAXES

At October 31, 2011 and 2010, the Company had a net federal operating loss carry forward of \$5,283,678 and \$5,253,678, respectively which begin to expire in 2027. Components of net deferred tax assets, including a valuation allowance, are as follows:

	2011	2010
Net operating loss carry-forward	\$ 5,283,276	\$ 5,253,678
Unpaid accrued expenses		
Valuation allowance	(5,283,276)	(5,253,678)
Net deferred tax assets	<u>-0-</u>	<u>-0-</u>

Cumulative deferred tax assets as of October 31, 2011 were \$5,283,678. In assessing the recovery of the deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income in the periods in which those temporary differences become deductible. Management considers the scheduled reversals of future deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. As a result, management determined it was more likely than not the deferred tax assets would not be realized as of October 31, 2011 and 2010, and recorded a full valuation allowance at those dates.

Reconciliation between the Federal statutory rate and the effective tax rate for the years ended October 31, 2011 and 2010 is as follows:

	2011	2010
Federal statutory rate	(35)%	(35)%
Permanent differences		25
Valuation allowance	35	10
Effective tax rate	<u>0%</u>	<u>0%</u>

## NOTE 12 - SUBSEQUENT EVENTS

On December 1, 2011, the Company Hans J. Schulte resigned as the Sole Officer and Director and appointed Mark S. Zouvas in the same capacity.

On December 1, 2011, The Company consented to the conversion of its only liability, a convertible note, into shares of its common stock. Pursuant to this resolution, the value of the note was equal to \$17,500, which converted into 2,610,000 common stock shares or \$.007 per share.

**Item 13. Similar financial information for such part of the two preceding fiscal years as the Issuer or its predecessor has been in existence.**

The required similar financial information for such part of the two preceding fiscal years as the issuer or its predecessor has been in existence, is hereby fully referenced and incorporated herein as disclosed and included in Item 12 as accompanying charts to the recent Annual Report Financials of the year ending October 31, 2011. The 1) Statement of Income referenced in Item 12 and hereby fully incorporated herein contains not only the Statement of Income for the Current Annual Period ending October 31, 2011, but also contains the Statement of Income since inception, which includes the 2 previous fiscal years as required by Item 13 of this disclosure. Additionally, the previously mentioned incorporation also applies to the 2) Statement of Cash Flows, and 3) Statement of Stockholder's equity, as disclosed in Item 12.

**Item 14. Beneficial Owners.**

Shareholder	Class	Shares	Percentage
Hans J. Shulte	Common	30,000,800	99%

**Item 15. The name, address, telephone number, and email address of each of certain 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.**

Luke C. Zouvas  
2368 Second Ave.  
San Diego, CA 92101

**4. Accountant or Auditor.**

Prepared internally by management

**5. Public Relations Consultant(s).**

None

**6. Investor Relations Consultant**

None

**7. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement - the information shall include the telephone number and email address of each advisor.**

None

**Item 16. Management's Discussion and Analysis or Plan of Operation.**

***Plan of Operation***

Currently, the Company believes that as a result in the continued difficulties in consumer finance, more specifically in the consumers ability to obtain Home Improvement Loans or Equity Line of Credit, and the cancellation of Credit facility previously available through the Company, the consumer Energy Saving System sales for the Company has continued to decrease. The initial costs for consumers to install a system, and then benefit from any potential State or Utility Incentives and the Federal Tax Incentive is more than most consumers seem to be

willing or able to spend in this current economic environment. Some of these expenses are recovered after installation via a State or Utility rebate, and then after the consumer files annual tax returns in the form of a tax credit. Additionally, the units that our company was distributing have had difficulties in being acquired. With these consumer finance and general economic conditions in place the Company anticipates that this trend of decreasing revenues will likely continue.

The Company's twelve month operational schedule entails a very disciplined plan of action of raising monies through several different avenues, focusing on direct sales and implementing their systems once again at facilities as well as generating marketing and advertising through, traditional, and online web and social networking channels.

The Company's sales strategy entails disciplined criteria, which will provide new direct sales and implementations of their services to even more outlets than ever before.

The company's employee expansion will be directly related to the acquisition and management of our assets. We are unable to estimate forecast that expansion at this time as only the market will dictate our growth.

### ***Off-Balance Sheet Arrangements***

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to stockholders.

### ***Future Financings***

We will continue to rely on equity sales of our common shares in order to continue to fund our business operations. Issuances of additional shares will result in dilution to existing stockholders. There is no assurance that we will achieve any additional sales of the equity securities or arrange for debt or other financing to fund our operations and other activities.

## **Part E. Issuance History**

### **Item 17. List of Securities offerings and shares issued for services in the past two years.**

Listed below are the events, in chronological order, which resulted in changes in total shares outstanding by the issuer

- (1) within the two-year period ending on the last day of the issuer's most recent fiscal year

All of the issuances in the two-year period ending on the last day of the issuers most recent fiscal year are listed in Item 12 Financial Statements, Stockholder's Equity chart filed herein and are hereby fully incorporated herein.

All of the issuances in the two-year period ending on the last day of the issuers most recent fiscal year are listed in Item 12 Financial Statements, Stockholder's Equity chart filed herein and are hereby fully incorporated herein.

(2) since the last day of the issuer's most recent fiscal year:

No new shares have been issued since the last day of the issuer's most recent fiscal year.

#### **Part F. Exhibits**

##### **Item 18. Material Contracts.**

The Issuer has no existing material contracts that will be required of or performed by them that are not in the normal course of business.

##### **Item 19. Articles of Incorporation and Bylaws.**

- A. For a complete copy of the Issuer's Articles of Incorporation please see Exhibit A hereto.
- B. For a complete copy of the Issuer's Bylaws please see Exhibit B hereto.

##### **Item 20. Purchase of Equity Securities by the Issuer and Affiliated Purchasers.**

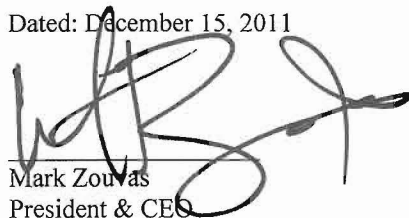
None.

##### **Item 21. Issuer's Certifications**

I, Mark Zouvas, certify that:

1. I have reviewed this Amended Issuer Information and Disclosure Statement of Carbon Credits International, 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 circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and  
Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly represent in all material respects the financial condition, results of operations and cash flows of the Issuer as of, and for, the periods presented in the disclosure statement.

Dated: December 15, 2011



Mark Zouvas  
President & CEO

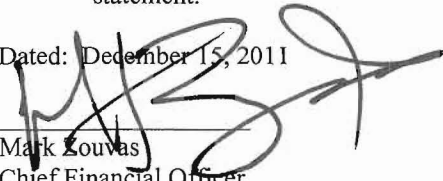


I, Mark Zouvas, certify that:

3. I have reviewed this Amended Issuer Information and Disclosure Statement of Carbon Credits International, Inc.
4. 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 circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

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

Dated: December 15, 2011

  
\_\_\_\_\_  
Mark Zouvas  
Chief Financial Officer



ROSS MILLER  
Secretary of State  
204 North Carson Street, Ste 1  
Carson City, Nevada 89701-4299  
(775) 684 5708  
Website: secretaryofstate.biz

## Certificate of Change Pursuant to NRS 78.209

USE BLACK INK ONLY - DO NOT HIGHLIGHT

ABOVE SPACE IS FOR OFFICE USE ONLY

### Certificate of Change filed Pursuant to NRS 78.209 For Nevada Profit Corporations

**1. Name of corporation:**

Carbon Credits International, Inc.

**2. The board of directors have adopted a resolution pursuant to NRS 78.209 and have obtained any required approval of the stockholders.**

**3. The current number of authorized shares at the par value, if any, of each class or series, if any, of shares before the change:**

50,000,000 common shares, par value \$0.001  
10,000,000 preferred shares, par value \$0.001

**4. The number of authorized shares and the par value, if any, of each class or series, if any, of shares after the change:**

100,000,000 common shares, par value \$0.0001  
10,000,000 preferred shares, par value \$0.0001

**5. The number of shares of each affected class or series, if any, to be issued after the change in exchange for each issued share of the same class or series:**

None

**6. The provisions, if any, for the issuance of fractional shares, or for the payment of money or the issuance of scrip to stockholders otherwise entitled to a fraction of a share and the percentage of outstanding shares affected thereby:**

None

**7. Effective date of filing (optional):**

(must not be later than 90 days after the certificate is filed)

**8. Officer Signature:**

X



President

Title

**IMPORTANT:** Failure to include any of the above information and submit the proper fees may cause this filing to be rejected.

*This form must be accompanied by appropriate fees.*

Nevada Secretary of State AM 78.209 2007  
Revised 01/01/2007

**ARTICLES OF INCORPORATION**  
**OF**  
**CARBON CREDITS INTERNATIONAL, INC.**

**1. Name of Company:**

**CARBON CREDITS INTERNATIONAL, INC.**

**2. Resident Agent:**

The resident agent of the Company is:

Ralph Kinkade  
4063 Knoblock Road  
Carson City, Nevada 89706

**3. Board of Directors:**

The Company shall initially have one director (1) who shall be Hans J. Schulte, whose address is: 14835 E. Shea Boulevard, Suite 103, PMB 494, Fountain Hills, Arizona 85268. This individual shall serve as director until a successor or successors have been elected and qualified. The number of directors may be increased or decreased by a duly adopted amendment to the By-Laws of the Corporation.

**4. Authorized Shares:**

The aggregate number of shares which the corporation shall have authority to issue shall consist of 50,000,000 shares of Common Stock having a \$0.001 par value, and 10,000,000 shares of Preferred Stock having a \$0.001 par value. The Common and/or Preferred Stock of the Company may be issued from time to time without prior approval by the stockholders. The Common and/or Preferred Stock may be issued for such consideration as may be fixed from time to time by the Board of Directors. The Board of Directors may issue such shares of Common and/or Preferred Stock in one or more series, with such voting powers, designations, preferences and rights or qualifications, limitations or restrictions thereof as shall be stated in the resolution or resolutions.

**5. Preemptive Rights and Assessment of Shares:**

Holders of Common or Preferred Stock of the corporation shall not have any preference, preemptive right or right of subscription to acquire shares of the corporation authorized, issued, or sold, or to be authorized, issued or sold, or to any obligations or shares authorized or issued or to be authorized or issued, and convertible into shares of the corporation, nor to any right of subscription thereto, other than to the extent, if any, the Board of Directors in its sole discretion, may determine from time to time.

The Common Stock of the Corporation, after the amount of the subscription price has been fully paid in, in money, property or services, as the directors shall determine, shall not be subject to assessment to pay the debts of the corporation, nor for any other purpose, and no Common Stock issued as fully paid shall ever be assessable or assessed, and the Articles of Incorporation shall not be amended to provide for such assessment.

**ARTICLES OF INCORPORATION**  
**OF**  
**CARBON CREDITS INTERNATIONAL, INC.**

**1. Name of Company:**

**CARBON CREDITS INTERNATIONAL, INC.**

**2. Resident Agent:**

The resident agent of the Company is:

Ralph Kinkade  
4063 Knoblock Road  
Carson City, Nevada 89706

**3. Board of Directors:**

The Company shall initially have one director (1) who shall be Hans J. Schulte, whose address is: 14835 E. Shea Boulevard, Suite 103, PMB 494, Fountain Hills, Arizona 85268. This individual shall serve as director until a successor or successors have been elected and qualified. The number of directors may be increased or decreased by a duly adopted amendment to the By-Laws of the Corporation.

**4. Authorized Shares:**

The aggregate number of shares which the corporation shall have authority to issue shall consist of 50,000,000 shares of Common Stock having a \$0.001 par value, and 10,000,000 shares of Preferred Stock having a \$0.001 par value. The Common and/or Preferred Stock of the Company may be issued from time to time without prior approval by the stockholders. The Common and/or Preferred Stock may be issued for such consideration as may be fixed from time to time by the Board of Directors. The Board of Directors may issue such shares of Common and/or Preferred Stock in one or more series, with such voting powers, designations, preferences and rights or qualifications, limitations or restrictions thereof as shall be stated in the resolution or resolutions.

**5. Preemptive Rights and Assessment of Shares:**

Holders of Common or Preferred Stock of the corporation shall not have any preference, preemptive right or right of subscription to acquire shares of the corporation authorized, issued, or sold, or to be authorized, issued or sold, or to any obligations or shares authorized or issued or to be authorized or issued, and convertible into shares of the corporation, nor to any right of subscription thereto, other than to the extent, if any, the Board of Directors in its sole discretion, may determine from time to time.

The Common Stock of the Corporation, after the amount of the subscription price has been fully paid in, in money, property or services, as the directors shall determine, shall not be subject to assessment to pay the debts of the corporation, nor for any other purpose, and no Common Stock issued as fully paid shall ever be assessable or assessed, and the Articles of Incorporation shall not be amended to provide for such assessment.

(c) To authorize the guaranty by the corporation of the securities, evidences of indebtedness and obligations of other persons, corporations or business entities;

(d) To set apart out of any funds of the corporation available for dividends a reserve or reserves for any proper purpose and to abolish any such reserve;

(e) By resolution adopted by the majority of the whole board, to designate one or more committees to consist of one or more directors of the of the corporation, which, to the extent provided on the resolution or in the By-Laws of the corporation, shall have and may exercise the powers of the Board of Directors in the management of the affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it. Such committee or committees shall have name and names as may be stated in the By-Laws of the corporation or as may be determined from time to time by resolution adopted by the Board of Directors.

All the corporate powers of the corporation shall be exercised by the Board of Directors except as otherwise herein or in the By-Laws or by law.

IN WITNESS WHEREOF, I hereunder set my hand on October 15, 2007, hereby declaring and certifying that the facts stated hereinabove are true.

  
Hans J. Schulte, Incorporator

**Certificate of Acceptance of Appointment as Resident Agent:** I, Ralph Kinkade, do hereby state that on October 15, 2007, I accepted the appointment as resident agent for the above- named business entity (Carbon Credits International, Inc.).

  
Ralph Kinkade, Resident Agent

## **EXHIBIT B**

### **BYLAWS**

### **OF**

### **CARBON CREDITS INTERNATIONAL, INC.**

**October 15, 2007**

#### **ARTICLE I**

#### **OFFICES AND CORPORATE SEAL**

SECTION 1.1        Registered Office . The registered office of Carbon Credits International, Inc., (hereinafter the "Corporation") in the State of Nevada shall be c/o Ralph Kinkade, Knoblock Road, Carson City, Nevada 89706. In addition to its registered office, the Corporation shall maintain a principal office at a location determined by the Board. The Board of Directors may change the Corporation's registered office and principal office from time to time.

SECTION 1.2        Other Offices . The Corporation may also maintain offices at such other place or places, either within or without the State of Nevada, as may be designated from time to time by the Board of Directors (hereinafter the "Board"), and the business of the Corporation may be transacted at such other offices with the same effect as that conducted at the principal office.

SECTION 1.3        Corporate Seal . A corporate seal shall not be requisite to the validity of any instrument executed by or on behalf of the Corporation, but nevertheless if in any instance a corporate seal be used, the same shall be a circle having on the circumference thereof the name of the Corporation and in the center the words "corporate seal", the year incorporated, and the state where incorporated.

#### **ARTICLE II**

#### **SHAREHOLDERS**

SECTION 2.1        Shareholders Meetings . All meetings of the shareholders shall be held at the principal office of the Corporation between the hours of 9:00 a.m. and 5:00 p.m., or at such other time and place as may be fixed from time to time by the Board, or in the absence of direction by the Board, by the President or Secretary of the

Corporation, either within or without the State of Nevada, as shall be stated in the notice of the meeting or in a duly executed waiver of notice thereof. A special or annual meeting called by shareholders owning a majority of the entire capital stock of the Corporation pursuant to Sections 2.2 or 2.3 shall be held at the place designated by the shareholders calling the meeting in the notice of the meeting or in a duly executed waiver of notice thereof.

SECTION 2.2            Annual Meetings . Annual meetings of shareholders shall be held on a date designated by the Board of Directors or if that day shall be a legal holiday, then on the next succeeding business day, or at such other date and time as shall be designated from time to time by the Board and stated in the notice of the meeting. At the annual meeting, shareholders shall elect the Board and transact such other business as may properly be brought before the meeting. In the event that an annual meeting is not held on the date specified in this Section 2.2, the annual meeting may be held on the written call of the shareholders owning a majority of the entire capital stock of the Corporation issued, outstanding, and entitled to vote.

SECTION 2.3            Special Meetings of Shareholders . Special meetings of the shareholders, for any purpose or purposes, unless otherwise prescribed by Nevada statute or by the Articles of Incorporation (hereinafter the "Articles"), may be called by the President and shall be called by the President or Secretary at the request in writing of a majority of the Board, or at the request in writing of shareholders owning a majority of the entire capital stock of the Corporation issued, outstanding, and entitled to vote. Such request shall state the purpose or purposes of the proposed meeting. In the event that the President or Secretary fails to call a meeting pursuant to such a request, a special meeting may be held on the written call of the shareholders owning a majority of the entire capital stock of the Corporation issued, outstanding, and entitled to vote.

SECTION 2.4            List of Shareholders . The officer who has charge of the stock transfer books for shares of the Corporation shall prepare and make, no more than two (2) days after notice of a meeting of shareholders is given, a complete list of the shareholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address and the number of shares registered in the name of each shareholder. Such list shall be open to examination and copying by any shareholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten (10) days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any shareholder present.

SECTION 2.5            Notice of Shareholders Meetings . Written notice of the annual meeting stating the place, date and hour of the meeting and, in case of a special meeting,

the purpose or purposes for which the meeting is called, shall be given, either personally or by mail, to each shareholder of record entitled to vote at such meeting not less than ten (10) nor more than sixty (60) days before the date of the meeting. If mailed, such notice shall be deemed to be delivered when mailed to the shareholder at his address as it appears on the stock transfer books of the Corporation. Business transacted at any special meeting of shareholders shall be limited to the purposes stated in the notice unless determined otherwise by the unanimous vote of the holders of all of the issued and outstanding shares of the Corporation present at the meeting in person or represented by proxy.

SECTION 2.6            Closing of Transfer Books or Fixing of Record Date. For the purpose of determining shareholders entitled to notice of, or permitted to vote at, any meeting of shareholders or any adjournment thereof, or for the purpose of determining shareholders entitled to receive payment of any dividend, or in order to make a determination of shareholders for any other proper purpose, the board may provide that the stock transfer books shall be closed for a stated period but not to exceed, in any case, sixty (60) days. If the stock transfer books shall be closed for the purpose of determining shareholders entitled to notice of, or permitted to vote at, a meeting of shareholders, such books shall be closed for at least ten (10) days immediately preceding such meeting. In lieu of closing the stock transfer books, the board may fix in advance a date as the record date for any such determination of shareholders, such date in any case to be not more than sixty (60) days and, in case of a meeting of shareholders, not less than ten (10) days prior to the date on which the particular action requiring such determination of shareholders is to be taken. If the stock transfer books are not closed and no record date is fixed for the determination of shareholders entitled to notice of, or permitted to vote at, a meeting of shareholders, or for the determination of shareholders entitled to receive payment of a dividend, the record date shall be 4:00 p.m. on the day before the day on which notice of the meeting is given or, if notice is waived, the record date shall be the day on which, and the time at which, the meeting is commenced. When a determination of shareholders entitled to vote at any meeting of shareholders has been made as provided in this section, such determination shall apply to any adjournment thereof, provided that the board may fix a new record date for the adjourned meeting and further provided that such adjournments do not in the aggregate exceed thirty (30) days. The record date for determining shareholders entitled to express consent to action without a meeting pursuant to Section 2.9 shall be the date on which the first shareholder signs the consent.

SECTION 2.7            Quorum and Adjournment.

(a)        The holders of a majority of the shares issued, outstanding, and entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum at all meetings of the shareholders for the transaction of business except as otherwise provided by Nevada statute or by the Articles.



(b) Business may be conducted once a quorum is present and may continue until adjournment of the meeting notwithstanding the withdrawal or temporary absence of sufficient shares to reduce the number present to less than a quorum. Unless the vote of a greater number or voting by classes is required by Nevada statute or the Articles, the affirmative vote of the majority of the shares then represented at the meeting and entitled to vote on the subject matter shall be the act of the shareholders; provided, however, that if the shares then represented are less than required to constitute a quorum, the affirmative vote must be such as would constitute a majority if a quorum were present; and provided further, that the affirmative vote of a majority of the shares then present shall be sufficient in all cases to adjourn a meeting.

(c) If a quorum shall not be present or represented at any meeting of the shareholders, the shareholders entitled to vote at the meeting, present in person or represented by proxy, shall have power to adjourn the meeting to another time or place, without notice other than announcement at the meeting at which adjournment is taken, until a quorum shall be present or represented. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified. If the adjournment is for more than thirty (30) days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record entitled to vote at the meeting.

SECTION 2.8        Voting. At every meeting of the shareholders, each shareholder shall be entitled to one vote in person or by proxy for each share of the capital stock having voting power held by such shareholder, but no proxy shall be voted or acted upon after six (6) months from its date, unless the proxy provides for a longer period not to exceed seven (7) years.

SECTION 2.9        Action Without Meeting. Any action required or permitted to be taken at any annual or special meeting of shareholders may be taken without a meeting, without prior notice, and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of a majority of the outstanding shares entitled to vote with respect to the subject matter of the action unless a greater percentage is required by law in which case such greater percentage shall be required.

SECTION 2.10       Waiver. A shareholder's attendance at a meeting shall constitute a waiver of any objection to defective notice or lack of notice of the meeting unless the shareholder objects at the beginning of the meeting to holding the meeting or transacting business at the meeting, and shall constitute a waiver of any objection to consideration of a particular matter at the meeting unless the shareholder objects to considering the matter when it is presented. A shareholder may otherwise waive notice of any annual or special meeting of shareholders by executing a written waiver of notice either before, at or after the time of the meeting.

SECTION 2.11      Conduct of Meetings . Meetings of the shareholders shall be presided over by a chairman to be chosen, subject to confirmation after tabulation of the votes, by a majority of the shareholders entitled to vote at the meeting who are present in person or by proxy. The secretary for the meeting shall be the Secretary of the Corporation, or if the Secretary of the Corporation is absent, then the chairman initially chosen by a majority of the shareholders shall appoint any person present to act as secretary. The chairman shall conduct the meeting in accordance with the Corporation's Articles, Bylaws and the notice of the meeting, and may establish rules for conducting the business of the meeting. After calling the meeting to order, the chairman initially chosen shall call for the election inspector, or if no inspector is present then the secretary of the meeting, to tabulate the votes represented at the meeting and entitled to be cast. Once the votes are tabulated, the shares entitled to vote shall confirm the chairman initially chosen or shall choose another chairman, who shall confirm the secretary initially chosen or shall choose another secretary in accordance with this section. If directors are to be elected, the tabulation of votes present at the meeting shall be announced prior to the casting of votes for the directors.

SECTION 2.12      Election Inspector . The Board of Directors, in advance of any shareholders meeting, may appoint an election inspector to act at such meeting. If an election inspector is not so appointed or is not present at the meeting, the chairman of the meeting may, and upon the request of any person entitled to vote at the meeting shall, make such appointment. If appointed, the election inspector will determine the number of shares outstanding, the authenticity, validity and effect of proxies and the number of shares represented at the meeting in person and by proxy; receive and count votes, ballots and consents and announce the results thereof; hear and determine all challenges and questions pertaining to proxies and voting; and, in general, perform such acts as may be proper to ensure the fair conduct of the meeting.

### **ARTICLE III** **DIRECTORS**

SECTION 3.1      Number and Election . The number of directors that shall constitute the whole Board shall initially be 3; provided, such number may be changed by the shareholders so long as the number of directors shall not be less than one or more than nine. Directors shall be elected by the shareholders, and each director shall serve until the next annual meeting and until his successor is elected and qualified, or until resignation or removal.

SECTION 3.2      Powers . The business and affairs of the Corporation shall be managed by the Board, which may exercise all such powers of the Corporation and do all such lawful acts as are not by Nevada statute, the Articles, or these Bylaws directed or required to be exercised or done by the shareholders.

SECTION 3.3.       Resignation of Directors. Any director may resign his office at any time by giving written notice of his resignation to the President or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein or, if no time be specified therein, at the time of the receipt thereof, and the acceptance thereof shall not be necessary to make it effective.

SECTION 3.4       Removal of Directors. Any director or the entire Board may be removed, with or without cause, by a vote of the holders of a majority of the shares then entitled to vote at an election of directors at a meeting of shareholders called expressly for that purpose.

SECTION 3.5       Vacancies. Vacancies resulting from the resignation or removal of a director and newly created directorships resulting from any increase in the authorized number of directors shall be filled by the shareholders in accordance with Section 3.1.

SECTION 3.6       Place of Meetings. Unless otherwise agreed by a majority of the directors then serving, all meetings of the Board of Directors shall be held at the Corporation's principal office between the hours of 9:00 a.m. and 5:00 p.m., and such meetings may be held by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section 3.6 shall constitute presence in person at such meeting.

SECTION 3.7       Annual Meetings. Annual meetings of the Board shall be held immediately following the annual meeting of the shareholders and in the same place as the annual meeting of shareholders. In the event such meeting is not held, the meeting may be held at such time and place as shall be specified in a notice given as hereinafter provided for special meetings of the Board, or as shall be specified in a written waiver of notice by all of the directors.

SECTION 3.8       Regular Meetings. Regular meetings of the Board may be held without notice at such time and at such place as shall from time to time be determined by the Board.

SECTION 3.9       Special Meetings. Special meetings of the Board may be called by the President or the Secretary with seven (7) days notice to each director, either personally, by mail, by telegram, or by telephone; special meetings shall be called in like manner and on like notice by the President or Secretary on the written request of two (2) directors and shall in such case be held at the time requested by those directors, or if the President or Secretary fails to call the special meeting as requested, then the meeting may be called by the two requesting directors and shall be held at the time designated by those directors in the notice.

SECTION 3.10        Quorum and Voting. A quorum at any meeting of the Board shall consist of a majority of the number of directors then serving, but not less than two (2) directors, provided that if and when a Board comprised of one member is authorized, or in the event that only one director is then serving, then one director shall constitute a quorum. If a quorum shall not be present at any meeting of the Board, the directors then present may adjourn the meeting to another time or place, without notice other than announcement at the meeting, until a quorum shall be present. If a quorum is present, then the affirmative vote of a majority of directors present is the act of the Board of Directors.

SECTION 3.11        Action Without Meeting. Unless otherwise restricted by the Articles or these Bylaws, any action required or permitted to be taken at any meeting of the Board or of any committee thereof may be taken without a meeting, if all members of the Board or committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.

SECTION 3.12        Committees of the Board. The Board, by resolution, adopted by a majority of the full Board, may designate from among its members an executive committee and one or more other committees each of which, to the extent provided in such resolution and permitted by law, shall have and may exercise all the authority of the Board. The Board, with or without cause, may dissolve any such committee or remove any member thereof at any time. The designation of any such committee and the delegation thereto of authority shall not operate to relieve the Board, or any member thereof, of any responsibility imposed by law.

SECTION 3.13        Compensation. To the extent authorized by resolution of the Board and not prohibited or limited by the Articles, these Bylaws, or the shareholders, a director may be reimbursed by the Corporation for his expenses, if any, incurred in attending a meeting of the Board of Directors, and may be paid by the Corporation a fixed sum or a stated salary or both for attending meetings of the Board. No such reimbursement or payment shall preclude any director from serving the Corporation in any other capacity and receiving compensation therefor.

SECTION 3.14        Waiver. A director's attendance at or participation in a meeting shall constitute a waiver of any objection to defective notice or lack of notice of the meeting unless the director objects at the beginning of the meeting or promptly upon his arrival to holding the meeting or transacting business at the meeting and does not thereafter vote for or assent to action taken at the meeting. A director may otherwise waive notice of any annual, regular or special meeting of directors by executing a written notice of waiver either before or after the time of the meeting.

SECTION 3.15        Chairman of the Board. A Chairman of the Board may be

appointed by the directors. The Chairman of the Board shall perform such duties as from time to time may be assigned to him by the Board, the shareholders, or these Bylaws. The Vice Chairman, if one has been elected, shall serve in the Chairman's absence.

SECTION 3.16        Conduct of Meetings. At each meeting of the Board, one of the following shall act as chairman of the meeting and preside, in the following order of precedence:

- (a)    The Chairman of the Board;
- (b)    The Vice Chairman;
- (c)    The President of the Corporation; or
- (d)    A director chosen by a majority of the directors present,  
         or if a majority is unable to agree on who shall act as chairman,  
         then the director with the earliest date of birth shall act as the chairman.

The Secretary of the Corporation, or if he shall be absent from such meeting, the person whom the chairman of such meeting appoints, shall act as secretary of such meeting and keep the minutes thereof. The order of business and rules of procedure at each meeting of the Board shall be determined by the chairman of such meeting, but the same may be changed by the vote of a majority of those directors present at such meeting. The Board shall keep regular minutes of its proceedings.

## **ARTICLE IV**

### **OFFICERS**

SECTION 4.1        Titles, Offices, Authority. The officers of the Corporation shall be chosen by the Board of Directors and shall include a President, a Secretary and a Treasurer, and may, but need not, include a Chairman, a Vice Chairman, a Chief Executive Officer, a Chief Operating Officer, a Vice President, additional Vice Presidents, one or more assistant secretaries and assistant treasurers, or any other officer appointed by the Board. Any number of offices may be held by the same person, unless the Articles or these Bylaws otherwise provide. If only one person is serving as an officer of this Corporation, he or she shall be deemed to be President and Secretary. An officer shall have such authority and shall perform such duties in the management of the Corporation as may be provided by the Articles or these Bylaws, or as may be determined by resolution of the Board or the shareholders in accordance with Article V.

SECTION 4.2        Subordinate Officers. The Board may appoint such subordinate officers, agents or employees as the Board may deem necessary or advisable, including one or more additional Vice Presidents, one or more assistant secretaries, and one or

more assistant treasurers, each of whom shall hold office for such period, have authority and perform such duties as are provided in these Bylaws or as the Board may from time to time determine. The Board may delegate to any executive officer or to any committee the power to appoint any such additional officers, agents or employees. Notwithstanding the foregoing, no assistant secretary or assistant treasurer shall have power or authority to collect, account for, or pay over any tax imposed by any federal, state or city government.

SECTION 4.3           Appointment, Term of Office, Qualification. The officers of the Corporation shall be appointed by the Board and each officer shall serve at the pleasure of the Board until the next annual meeting and until a successor is appointed and qualified, or until resignation or removal.

SECTION 4.4           Resignation. Any officer may resign his office at any time by giving written notice of his resignation to the President or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein or, if no time be specified therein, at the time of the receipt thereof, and the acceptance thereof shall not be necessary to make it effective.

SECTION 4.5           Removal. Any officer or agent may be removed by the Board whenever in its judgment the best interests of the Corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Appointment of an officer or agent shall not of itself create contract rights.

SECTION 4.6           Vacancies. A vacancy in any office, because of death, resignation, removal, or any other cause, shall be filled for the unexpired portion of the term in the manner prescribed in Sections 4.1, 4.2 and 4.3 of this Article IV for appointment to such office.

SECTION 4.7           The President. The President shall preside at all meetings of shareholders. The President shall be the principal executive officer of the Corporation and, subject to the control of the Board, shall in general supervise and control all of the business and affairs of the Corporation. He may sign, when authorized by the Board, certificates for shares of the Corporation and deeds, mortgages, bonds, contracts, or other instruments which the Board has authorized to be executed, except in cases where the signing and execution thereof shall be expressly delegated by the Board or by these Bylaws to some other officer or agent of the Corporation, or shall be required by law to be otherwise signed or executed; and in general shall perform all duties incident to the office of the President and such other duties as may be prescribed by the Board from time to time.

SECTION 4.8           The Vice President. Each Vice President shall have such powers and perform such duties as the Board or the President may from time to time prescribe and shall perform such other duties as may be prescribed by these Bylaws. At the request

of the President, or in case of his absence or inability to act, the Vice President or, if there shall be more than one Vice President then in office, then one of them who shall be designated for the purpose by the President or by the Board shall perform the duties of the President, and when so acting shall have all powers of, and be subject to all the restrictions upon, the President.

SECTION 4.9        The Secretary . The Secretary shall act as secretary of, and keep the minutes of, all meetings of the Board and of the shareholders; he shall cause to be given notice of all meetings of the shareholders and directors; he shall be the custodian of the seal of the Corporation and shall affix the seal, or cause it to be affixed, to all proper instruments when deemed advisable by him; he shall have charge of the stock book and also of the other books, records and papers of the Corporation relating to its organization as a Corporation, and shall see that the reports, statements and other documents required by law are properly kept or filed; and he shall in general perform all the duties incident to the office of Secretary. He may sign, with the President, certificates of stock of the Corporation. He shall also have such powers and perform such duties as are assigned to him by these Bylaws, and he shall have such other powers and perform such other duties, not inconsistent with these Bylaws, as the Board shall from time to time prescribe. If no officer has been named as Secretary, the duties of the Secretary shall be performed by the President or a person designated by the President.

SECTION 4.10        The Treasurer . The Treasurer shall have charge and custody of, and be responsible for, all the funds and securities of the Corporation and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Corporation and shall deposit all monies and other valuable effects in the name of and to the credit of the Corporation in such banks and other depositories as may be designated by the Board, or in the absence of direction by the Board, by the President; he shall disburse the funds of the Corporation as may be ordered by the Board, taking proper vouchers for such disbursements, and shall render to the President and to the directors at the regular meetings of the Board or whenever they may require it, a statement of all his transactions as Treasurer and an account of the financial condition of the Corporation; and, in general, he shall perform all the duties incident to the office of Treasurer and such other duties as may from time to time be assigned to him by the Board. He may sign, with the President or a Vice President, certificates of stock of the Corporation. If no officer has been named as Treasurer, the duties of the Treasurer shall be performed by the President or a person designated by the President.

SECTION 4.11        Compensation . The Board shall have the power to set the compensation of all officers of the Corporation. It may authorize any officer, upon whom the power of appointing subordinate officers may have been conferred, to set the compensation of such subordinate officers.

## **ARTICLE V**

## **AUTHORITY TO INCUR CORPORATE OBLIGATIONS**

SECTION 5.1        Limit on Authority. No officer or agent of the Corporation shall be authorized to incur obligations on behalf of the Corporation except as authorized by the Articles or these Bylaws, or by resolution of the Board or the shareholders. Such authority may be general or confined to specific instances.

SECTION 5.2        Contracts and Other Obligations. To the extent authorized by the Articles or these Bylaws, or by resolution of the Board or the shareholders, officers and agents of the Corporation may enter into contracts, execute and deliver instruments, sign and issue checks, and otherwise incur obligations on behalf of the Corporation.

## **ARTICLE VI** **SHARES AND THEIR TRANSFER**

SECTION 6.1        Certificates for Shares. Certificates representing shares of the Corporation shall be in such form as shall be determined by the Board. Such certificates shall be signed by the President or a Vice President and by the Secretary or an assistant secretary. The signatures of such officers upon a certificate may be facsimiles if the certificate is manually signed on behalf of a transfer agent or a registrar, other than the Corporation itself or one of its employees. Each certificate for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the Corporation. All certificates surrendered to the Corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed or mutilated certificate a new one may be issued therefor upon such terms and indemnity to the Corporation as the Board may prescribe.

SECTION 6.2        Issuance. Before the Corporation issues shares, the Board shall determine that the consideration received or to be received for the shares is adequate. A certificate shall not be issued for any share until such share is fully paid.

SECTION 6.3        Transfer of Shares. Transfer of shares of the Corporation shall be made only on the stock transfer books of the Corporation by the holder of record thereof or by his legal representative, who shall furnish proper evidence of authority to transfer, or by his attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the Corporation, and on surrender for cancellation of the certificate for such shares. The person in whose name shares stand on the books of the Corporation shall be deemed by the Corporation to be the owner thereof for all purposes.

## **ARTICLE VII**



## **FISCAL YEAR**

The fiscal year of the Corporation shall be October 31.

## **ARTICLE VIII**

### **DIVIDENDS**

From time to time the Board may declare, and the Corporation may pay dividends on its outstanding shares in the manner and upon the terms and conditions provided by law and its Articles.

## **ARTICLE IX**

### **INDEMNIFICATION**

The Corporation may indemnify and advance litigation expenses to its directors, officers, employees and agents to the extent permitted by law, the Articles or these Bylaws, and shall indemnify and advance litigation expenses to its directors, officers, employees and agents to the extent required by law, the Articles or these Bylaws. The Corporation's obligations of indemnification, if any, shall be conditioned on the Corporation receiving prompt notice of the claim and the opportunity to settle and defend the claim. The Corporation may, to the extent permitted by law, purchase and maintain insurance on behalf of an individual who is or was a director, officer, employee or agent of the Corporation.

## **ARTICLE X**

### **REPEAL, ALTERATION OR AMENDMENT**

These Bylaws may be repealed, altered, or amended, or substitute Bylaws may be adopted at any time by a majority of the Board at any regular or special meeting, or by the shareholders at a special meeting called for that purpose. Any amendment made by the shareholders may not be amended by the Board unless authorized by the shareholders. No amendment made by the Board that impairs the rights of any shareholder shall be valid.

IN WITNESS WHEREOF, the undersigned, being the sole director of Carbon Credits International, Inc., adopts the foregoing Bylaws, effective as of the date first written above.

DIRECTOR:

By: /s/ Hans J. Schulte

