



Annual Report

For the Year ended December 31, 2013

Trading Symbol: **"CFSU"**

CUSIP Number: **204535108**

COMPLETE FINANCIAL SOLUTIONS INC.
ANNUAL REPORT
For the Year Ended December 31, 2013

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Item 1 Name of the Issuer and its Predecessors (if any)

Complete Financial Solutions Inc., a Nevada corporation (referred to as “CFSI” or the “Company”)

Item 2 Address of the Issuer’s Principal Executive Offices

Complete Financial Solutions Inc.
113 East Magnesium Rd., Suite D
Spokane, WA 99208
Telephone: 509-928-1123
Website: www.cfsi.biz

IR Contact:

Allen Ringer
Telephone: 866-928-1123
aringer@cfsi.biz

Item 3 Security Information

Trading Symbol:	CFSU
Title and class of securities outstanding:	Common Stock
CUSIP:	204535108
Par Value:	\$.001 per share
Total shares authorized:	75,000,000 as of December 31, 2013
Total shares outstanding	41,180,603 as of December 31, 2013

Additional classes of securities:

Trading Symbol:	None
Title and class of securities outstanding:	Series B Preferred Stock
CUSIP:	None
Par Value:	\$.001 per share
Total shares authorized:	2,000,000 as of December 31, 2013
Total shares outstanding	2,000,000 as of December 31, 2013

Trading Symbol:	None
Title and class of securities outstanding:	Series C Preferred Stock
CUSIP:	None
Par Value:	\$.001 per share
Total shares authorized:	3,000,000 as of December 31, 2013
Total shares outstanding	1,319,700 as of December 31, 2013

Transfer Agent:

Columbia Stock Transfer Company

1869 E. Seltice Way, Suite 292

Post Falls, ID 83854

Phone: (208) 664-3544

Fax: (208) 777-8998

www.columbiastock.com

Is the Transfer Company registered under the Exchange Act? Yes ☒ No ☐

List any restrictions on the transfer of security:

Shares previously issued in private placements or through our employee stock incentive plan ("restricted securities"), and shares held by affiliates such as officers, directors or large shareholders ("control securities") are subject to the applicable resale conditions of Rule 144. Rule 144 requires a holding period for restricted and control securities of at least twelve (12) months after acquisition, before open market sales can be made. Affiliates are subject to additional requirements for market sales, including current public information, volume limitation on sales, manner of sale requirements, and the filing of a Form 144.

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

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months: None

Item 4 Issuance History

During the period from March 2011 to October 2012, the Company issued 1,460,300 restricted shares as equity incentive grants under the Company's 2006 Stock Incentive Plan to eligible recipients under the Plan, valued at an average grant date stock price of \$0.05 per share. During the period from May 2013 to December 2013, the Company issued 1,768,600 restricted shares as equity incentive grants under the Company's 2006 Stock Incentive Plan to eligible recipients under the Plan, valued at an average grant date stock price of \$0.09 per share. Grants to employees have a service-based vesting period of three years from the date of grant. The recipients received restricted securities and appropriate legends were affixed to the certificates issued in the transaction. The securities were issued in compensatory circumstances under a written compensatory benefit plan, and the issuance was deemed to be exempt from registration under the Securities Act in reliance on Rule 701 promulgated thereunder.

During the period from September 2013 to December 2013, 1,250,000 shares were sold to three individuals upon the exercise of warrants for an aggregate consideration of \$125,000 (\$0.10 per share), payable in cash and by conversion of debt. The purchasers had long-standing business relationships with the Company, had access to all material information concerning the Company, and made representations to us as to their investment intent and financial sophistication. The purchasers received restricted securities and appropriate legends were affixed to the certificates issued in the transaction. The issuance was deemed to be exempt from registration under the Securities Act of 1933, as amended ("Securities Act") in reliance on Section 4(2) of the Securities Act and Regulation D promulgated thereunder.

Item 5 Financial Statements

The unaudited consolidated financial statements for the years ended December 31, 2013 and 2012, are attached, starting on page 11.

Item 6 Description of Business, Products and Services**a. Description of the issuer's business operations:**

Complete Financial Solutions Inc. is an emerging financial services company, currently primarily engaged in mortgage services. Through our subsidiary Acceptance Capital Mortgage Corporation ("ACMC"), we are currently licensed in 23 states to service the borrowing and refinancing needs of individual home buyers and owners. As an independent residential mortgage broker and lender, ACMC originates mortgages in approximately 55 branch offices utilizing about 120 employees. We have access to the products and services of over sixty lenders, including five mini-correspondent banking lines, and are eligible to underwrite loans in our own name. Although we currently focus on mortgage solutions, we are developing additional financial product and service offerings for our mortgage customers and the real estate community, such as insurance services, credit repair services, loan servicing and banking services.

b. Date and State (or Jurisdiction) of Incorporation:

Nevada; incorporated July 7, 2006

c. Issuer's primary and secondary SIC Codes:

The Standard Industrial Code for our principal line of business is: 6162

d. Issuer's fiscal year end date:

December 31

e. Principal products or services, and their markets:**Loan Originations**

We are an independent residential mortgage broker and lender. A significant portion of our originations are single-family mortgage loans that are eligible for FHA mortgage insurance, which represented about 47% of our originations in 2013. ACMC is an FHA Title II approved mortgage lender (mortgagee), with HUD Direct Endorsement approval, allowing it to underwrite, originate, fund, service and own FHA insured single-family mortgages. Qualified mortgage lenders are sometimes known as "Full-Eagles" (full-fledged FHA participating lenders) in the industry because they can perform any lender function on a FHA loans. ACMC is a "nonsupervised" lender, meaning it is not a financial institution (such as a bank, savings association, or a credit union) that is a member of the Federal Reserve System, or with accounts insured by the Federal Deposit Insurance Corporation (FDIC) or the National Credit Union Administration (NCUA). "Nonsupervised" mortgage lenders are regulated by the states. As a mortgage lender, we must acquire and maintain a license from each state in which we operate, obtain a separate agents' licenses where required, purchase bonds, and comply with state annual maintenance requirements.

Brokered Loans. Brokered loans do not involve the use of our own funds and rely on the lender to make the final funding decision. As a mortgage broker, we process and sell a lender's mortgage product to a borrower and receive an origination fee from either the borrower or the lender. If paid by the lender, the fee is typically fixed in advance of the transaction by the lender and is based on a percentage of the loan amount. If paid by the borrower the fee amount is more flexible. For FHA lending, originators can earn money based on the origination fee (maximum 1%) and discount points (maximum 2%) charged to the borrower. From the loan fee proceeds, we withhold an administration and a loan processing fee, and credit the balance to our originating branch office. Administration fees range from a low of \$250 to a \$1,000 cap on our largest brokered loans. Brokered loans represented about 27% of our mortgage originations in 2012.

Correspondent Lender Loans. With correspondent loans we originate loans utilizing a warehouse line of credit from a lender, and then sell the loans after settlement in the secondary market. Typically, the lender makes the funding decision for the loan, based on the lender's underwriting criteria. The advantage of this type of loan origination is that it allows us to control the yield spread premium ("YSP"). YSP is the dollar amount, expressed as a percentage of the loan amount that a lender is willing to pay for a particular piece of business. YSP can range from 0% (par rate) to several percentage points. Three percent (3.0%) is a typical YSP in our case. The loan typically is assigned to the lender to be sold directly to the secondary market. A correspondent loan typically includes the right to service the loan and a "servicing release premium" (SRP) is collected by the lender upon resale of the mortgages to the final investor. The lender typically pays us a portion of the SRP, usually between .25% and .50% of the loan amount, which we receive in addition to our standard administration and loan processing fees. Correspondent loans represented about 73% of our mortgage originations during the last half of 2012.

ACMC Underwritten Loans. In February 2013, ACMC earned its HUD Direct Endorsement approval, allowing it to underwrite its own FHA loans. In order to commence underwriting loans originated by our own branches, ACMC will first need to secure a credit facility in a minimum amount of \$1 million. We expect our loan originations to be funded by major financial institutions through secured lending facilities. Our loan inventory will be pledged as collateral for these lines. We anticipate that we will typically sell single-family conforming mortgage loans to government-sponsored entities (GSE) or other third-party investors in the secondary market, either on a servicing retained basis, or as servicing released whole loans sales.

Loan Products. We have the ability to offer a wide selection of mortgage products, including conventional, FHA-insured, fixed and adjustable rate mortgages, with different maturities. Like conventional mortgages, there are several different types of FHA mortgages, including both fixed rate and adjustable rate products. We offer these loan products for both conforming loans (loans of \$417,000 or less) and non-conforming loans (loans over \$417,000). We also offer a variety of other loan products, including second trust deed loans, as needed to effectively compete with other loan originators. All of our loan products are designed according to standards required either for participation in FHA mortgage insurance programs, or as required by secondary market investors to ensure liquidity. Our policy is not to engage in predatory lending or to provide high cost loans which feature either an interest rate or points and fees charged in connection with loans that exceed certain thresholds prescribed by federal or state law or local ordinances. We follow the Mortgage Bankers Associations' "Best Practices Statement" as part of our fair lending policy.

Processing Services

Mortgage loans funded in the U.S. must be processed according to the lender's specifications ("underwriting conditions") in order to be approved and funded. Our loan processing services are provided

ACMC. Our subsidiary AlliancePro Processing, Inc. provides the internally developed, proprietary technology platform for our business. The loan processing procedure includes gathering written verification of borrower's documentation and credit worthiness, reviewing conditions imposed by the lender to close the loan, ordering settlement services from third-party vendors (e.g. appraisal, flood and title reports and mortgage insurance), funding any impounds required (taxes and insurance) and paying closing costs, and submitting the completed loan package to the underwriting department of the chosen lender where it is either approved, rejected, or "approved with conditions." If the result is approval "with conditions," then the loan processor must work with the loan originator and the borrower to conform the application to the lender's underwriting conditions. The processing portion of the mortgage origination process can take as little as a week or as long as several months.

Ancillary Services

We are seeking revenue growth by developing additional financial product and service offerings for our mortgage customers and the real estate community. Ancillary services currently do constitute a material portion of our total revenues.

Insurance Services. Insurance Solutions Inc., dba Insure Solutions Inc., began in 2011. We currently offer several mortgage protection products on an agency basis, including plans that provide return of premium, living benefits and cash to survivor, as well those that pay the balance of the mortgage upon death. Currently licensed in Washington, Idaho, and Florida, we intend that Insurance Solutions offer life and medical related insurance products to ACMC mortgage customers at the point of mortgage sale.

Credit Repair Services. Mortgage customers that need to rehabilitate their credit in order to qualify for a loan are currently referred to a reputable third-party credit restoration company. We may opt to offer this service in the future.

Loan Servicing. As we underwrite our own residential mortgage loans, we may retain the servicing rights. Loan servicing primarily involves the calculation, collection and remittance of principal and interest payments, the administration of mortgage escrow accounts, the collection of insurance claims, the administration of foreclosure procedures, the management of real estate owned (REO) property, and the disbursement of required protective advances. Loan servicers typically receive recurring, fee-based revenues based upon contractually established servicing fees, as well as interest income on amounts deposited in collection accounts and amounts held in escrow to pay property taxes and insurance.

Bank Affiliation. If we obtain adequate funding we will seek to affiliate with a federal charter commercial bank for several potential benefits, including being exempt from state licensing, bonding, and reporting requirements, providing our loan originators with additional products, and providing a funding source for the loans we underwrite.

Forward-Looking Statements

In addition to current and historical information, this Quarterly Report contains forward-looking statements. These statements relate to our future operations, prospects, potential products, services, developments, business strategies or our future financial performance. Forward-looking statements reflect our expectations and assumptions only as of the date of this report and are subject to risks and uncertainties. Actual events or results may differ materially. We have included a detailed discussion of certain risks and uncertainties that could cause actual results and events to differ materially from our forward-looking statements in the section titled "Risk Factors," filed with our Initial Report, posted with the OTC Disclosure and News Service on July 22, 2013 ("Initial Report"). We undertake no obligation to update

or revise publicly any forward-looking statement after the date of this report, whether as a result of new information, future events or otherwise.

Risk Factors

The above summary description of our business should be read in conjunction with the more extensive disclosure contained in Part C of our Initial Report, which contains additional information related to the mortgage industry, the mortgage origination process, recent industry trends, competition, and government regulation. In addition, material risk factors are contained in the Initial Report related to the industry and our business which may affect our future prospects, performance and results. Some of the risk factors that investors or potential investors in our securities should consider are summarized as follows:

- We need additional capital and may not be able to access financing sources on favorable terms, or at all, which could adversely affect our ability to implement and operate our business as planned
- Future revenue growth and profitability remain uncertain
- Mortgage lending volume is expected to be lower in 2014 due to various factors which could adversely affect our business.
- Events similar to, and lingering effects from, the extreme turmoil in the mortgage industry and mortgage credit market that occurred from 2007 to 2009 could adversely affect our business
- Deteriorating mortgage market conditions or a continued delay in recovery of the residential mortgage market may continue to have a material adverse effect on our earnings and financial condition
- The potential limitation or wind-down of, the role Ginnie Mae, Fannie Mae and Freddie Mac play in the residential mortgage industry could disrupt the mortgage market and have a material adverse effect on our business
- There is recent litigation in the mortgage industry related to securitizations against issuers, sellers, originators, underwriters and others that may adversely affect our business operations; We may become a defendant in lawsuits, and we may not prevail in these matters
- Competition in the residential mortgage industry is intense and may adversely affect our business operations and financial performance; the dominance of a limited number of companies may affect our ability to operate and compete effectively
- The mortgage industry is heavily regulated and changes in current legislation or new legislation could adversely affect our business
- Violation of various federal, state and local laws may result in financial losses
- Our long-term success is primarily dependent on our ability to increase our mortgage origination volumes and revenues and to a lesser extent develop our ancillary service revenues
- We depend on the accuracy and completeness of information about borrowers and counterparties and any misrepresented information could adversely affect our business, financial condition and results of operations
- Our business may be adversely affected if we lose our FHA-approved lender status
- Representations and warranties made by us in our loan origination, financing or sales agreements may subject us to liability or require us to repurchase mortgage loans
- We may be limited in the way in which we market our business or generate revenue by U.S. federal law prohibiting referral fees in real estate transactions, and if we are found to be in violation of such laws we would be subject to significant liability
- We may be unable to effectively manage our desired growth, which could ultimately strain our financial, personnel and technical resources
- We depend on key and highly skilled personnel to operate our business, and if we are unable to retain our current or hire additional personnel, our ability to develop and successfully market our business could be harmed

- Our business is subject to online security risks, including security breaches and identity theft; Our failure to protect the personal and financial information of borrowers could result in liability and harm our reputation
- Unplanned system interruptions or system failures could harm our business and reputation
- We do not expect to pay dividends in the foreseeable future and we may be restricted in paying dividends on our common stock.
- Our stock price may be volatile and the trading of our shares may be limited, which may make it difficult for you to sell shares when you want at prices you find attractive
- Issuances of additional shares of our common stock may adversely affect its market price and significantly dilute stockholders

Item 7 Description of Facilities

Our principal administrative facilities are located in approximately 4,000 square feet of office space in Spokane, Washington pursuant to a month-to-month rental agreement. Our branch offices are located throughout the 26 states in which we operate, and are comprised of a number of commercial lease locations and home offices. The Company is a party to approximately 31 commercial leases in branch locations and is obligated to make all lease payments. Management believes the commercial lease rates were competitive for the local commercial real estate market at the times of agreement. Management believes our facilities are adequate for our present needs.

Item 8 Officers, Directors, and Control Persons

A. Officers and Directors

The following table sets forth certain information about our executive officers and directors as of December 31, 2013:

Name and Address⁽¹⁾	Age	Current Principal Occupation or Employment and Five-Year Employment History	Director Since
Allen Ringer	74	Chief Executive Officer and Chief Financial Officer (2012-present; and 2006-2009); former director of the Company (2006-2009); founder, President and Director of predecessor MortgageZone Inc., (2003-2007); President and Director of Mortgage Processor Plus Inc.), (2000-2004), and Cheetah Settlement Services Inc. (2002-2008); founder, CEO and Director of LION, Inc., a public company providing wholesale mortgage information (1989-1999)	--
Franklin Taylor	52	Director and President (2009-present); President and Director of Acceptance Capital Mortgage Corporation (2007-present); founder and President of Taylor Made Mortgage Corp. (2004-2007)	2009
Craig Benson	55	Director, Secretary and Treasurer (2009-present); VP-Marketing of Insurance Solutions, Inc. (2011-present); Insurance Agent with All Medicare Solutions LLC (2008-present).	2009

- (1) Except as noted above, the business address of the current directors and executive officers is c/o Complete Financial Solutions Inc., 113 East Magnesium Rd., Suite D, Spokane, WA 99208.

B. Legal/Disciplinary History.

During the last five years, none of the foregoing officers or directors has been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);
2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;
3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or
4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

C. Security Ownership of Certain Beneficial Owners and Management

The following table sets forth certain information that has been provided to the Company regarding the beneficial ownership as of December 31, 2013 of the Company's common stock by (a) each person who is known by the Company to be a beneficial owner of more than five percent of the outstanding common stock of the Company, (b) each director of the Company, (c) each of the executive officers, and (d) all directors and executive officers of the Company as a group.

<u>Name and Address Of Beneficial Owner</u>	<u>Shares ⁽¹⁾ Beneficially Owned</u>	<u>Percent ⁽²⁾ of Voting Shares</u>
<i>Current Directors and Executive Officers:</i>		
Allen Ringer ⁽³⁾	28,096,707	45.0%
Franklin Taylor	1,374,828	2.2%
Craig Benson	642,500	1.0%
All current directors and executive officers as a group (4 persons)	30,114,035	48.2%
<i>Other Beneficial Owners:</i>		
Dennis Postma ⁽⁴⁾	5,360,000	8.6%
Acceptance Capital Mortgage Corp.	7,000,000	11.2%
Arlan Van Wyk ⁽⁵⁾	4,557,000	7.3%

- (1) To our knowledge, except as indicated in the footnotes to this table and subject to applicable community property laws, the stockholders named in the table have sole voting and investment power with respect to all shares of common stock shown as beneficially owned by them.

- (2) Percentage of beneficial ownership is based upon the following voting shares outstanding as of December 31, 2013: 41,180,603 shares of common stock outstanding (including shares of unvested restricted stock); 2,000,000 shares of Series B Preferred Stock outstanding (with 10 votes per share); and 1,319,700 shares of Series C Preferred Stock outstanding (with 1 vote per share), for a total of 62,500,303 voting shares.
- (3) Includes 2,000,000 shares of Series B Preferred Stock, representing 20,000,000 votes. Also included are 2,749,800 shares owned by Choctaw Development, Inc., for which Mr. Ringer serves as an officer and may be deemed to have voting or investment control; and 4,000,000 shares owned by ACMC, for which Mr. Ringer as principal shareholder may be deemed to have voting or investment control. Includes 1,201,500 shares owned by Dutchman Irrevocable Trust, of which his wife Marilyn Ringer serves as trustee, and 45,407 shares owned by his wife, as to which Mr. Ringer disclaims beneficial ownership.
- (4) Includes 1,589,000 shares of common stock and 655,000 voting shares of Series C preferred stock owned by Dana LLC., for which Mr. Postma may be deemed to have voting or investment control.
- (5) Includes 663,700 voting shares of Series C preferred stock. Also includes 1,589,000 shares of common stock and 655,000 voting shares of Series C preferred stock owned by Dana LLC., for which Mr. Van Wyk may be deemed to have investment control.

Item 9 Third Party Providers

Legal Counsel

Stephen Tollefsen
Tollefsen Business Law PC
2825 Colby Avenue, Suite 304
Everett, Washington 98201
Telephone (425) 353-8883
Fax (425) 353-9415
Email: st@tbuslaw.com

Accountant or Auditor

Write-up of unaudited consolidated financial statements prepared by management:

Jeff Kavadias CPA PC
1124 West Riverside, Suite #215
Spokane, WA 99201
Telephone: (509) 321-0265
Fax: (509) 321-0823
Email: jeff@kavcocpa.com

Audit of principal subsidiary ACMC:

Thomas J. Harris
Certified Public Accountant
3901 Stone Way N.
Seattle, WA 98103
Telephone: (206) 547-6050
Fax: (206) 548-8132
Email: thomas@tjhcpa.com

Investor Relations Consultant

None

Item 10 Issuer Certification

CERTIFICATION OF CHIEF EXECUTIVE AND CHIEF FINANCIAL OFFICER:

I, Allen Ringer, certify that:

1. I have reviewed this annual report of Complete Financial Solutions Inc.
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: April 18, 2014

/s/ Allen Ringer
Allen Ringer
Chief Executive Officer
Chief Financial Officer

COMPLETE FINANCIAL SOLUTIONS, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
December 31, 2012 and 2013

	Unaudited 2012	Unaudited 2013
ASSETS		
Current assets:		
Cash	\$ 228,616	\$ 125,258
Accounts receivable	455,253	171,097
Loans held for sale	7,889,242	1,756,130
Available for sale security equities recorded at fair market value	1,254,500	868,500
Prepays	166,576	222,103
Total current assets	9,994,187	3,143,088
Property and equipment:		
Equipment	593,026	642,925
Furniture and fixtures	269,649	269,649
	862,675	912,574
Less accumulated depreciation	550,869	646,056
	311,806	266,518
Other assets:		
Investment in subsidiary	2,585,310	2,727,151
Investment in bank	125,000	125,000
Investment in life insurance policy	-	-
	2,710,310	2,852,151
	<u>\$ 13,016,303</u>	<u>\$ 6,261,757</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 367,035	\$ 385,065
Accrued payroll and payroll taxes	1,171,498	695,554
Revolving Lines and Line of credit	23,119	38,723
Warehouse line of credit	7,889,242	1,756,130
Current portion of long term debt	51,000	15,000
Total current liabilities	9,501,894	2,890,472
Long-term debt, due after one year	227,218	208,661
Payable to branches	69,522	98,922
	296,740	307,583
Total Liabilities	9,798,634	3,198,055
Stockholders' equity:		
Common stock, \$0.001 par value, authorized 75,000,000		
Issued and outstanding, 35,162,003 and 34,180,603 shares	31,162	34,181
Series A preferred stock, \$1.00 par value, authorized 2,000,000		
none Issued and outstanding,	-	-
Series B preferred stock, \$0.001 par value, authorized 2,000,000		
Issued and outstanding, 2,000,000	2,000	2,000
Series C preferred stock, \$0.001 par value, authorized 2,500,000		
Issued and outstanding, 1,319,700 shares	1,320	1,320
Stock subscription receivable	(2,000)	(2,000)
Additional paid-in capital	8,401,107	8,728,908
Accumulated other comprehensive income	(1,273,800)	(1,659,800)
Retained earnings (deficit)	(3,942,120)	(4,040,907)
	3,217,669	3,063,702
	<u>\$ 13,016,303</u>	<u>\$ 6,261,757</u>

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

COMPLETE FINANCIAL SOLUTIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS AND RETAINED EARNINGS (DEFICIT)
For the year ended December 31, 2012 and 2013

	unaudited Year ended December 31, 2012	unaudited Year ended December 31, 2013
Revenues	\$ 6,895,238	\$ 6,795,021
General and Administrative Expenses:		
Salaries and wages	3,925,447	3,765,405
Payroll taxes	573,166	379,495
Loan costs	1,003,849	901,871
Advertising costs	280,775	344,834
Insurance expense	98,872	123,506
Office expenses	131,376	111,611
Website expenses	113,801	143,229
Postage and delivery	27,232	37,621
Rent expense	235,479	288,951
Dues and subscriptions	4,625	5,471
Professional fees	265,056	289,647
Utilities	17,658	20,112
Taxes and licenses	41,827	45,951
Equipment rentals	14,785	20,822
Telephone expenses	115,412	136,242
Meals and entertainment	32,839	51,634
Travel expense	8,377	31,619
Depreciation expense	84,402	87,675
Other expenses	385,514	152,568
	<u>7,360,492</u>	<u>6,938,264</u>
Income (loss) from operations	<u>(465,254)</u>	<u>(143,243)</u>
Other income (expense):		
Other income	1,246	73,805
Interest expense	<u>(40,764)</u>	<u>(29,349)</u>
	<u>(39,518)</u>	<u>44,456</u>
Income (loss) before income tax	(504,772)	(98,787)
Provision for income tax benefit (note 10)	<u>-</u>	<u>-</u>
Net profit/(loss)	<u>\$ (504,772)</u>	<u>\$ (98,787)</u>
Weighted average earnings per share	<u>\$ (0.02)</u>	<u>\$ (0.00)</u>

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

COMPLETE FINANCIAL SOLUTIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (DEFICIT)
For The Years Ended December 31, 2013

	Common Stock		Preferred Class A		Preferred Class B		Preferred Class C		Stock	Capital in	Comprehensive	Accumulated	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Subscription Receivable	Excess of Par Value	Income/(loss)	Deficit	
Balances, December 31, 2006 (Audited)	7,852,536	\$ 7,853	-	\$ -	-	\$ -	-	\$ -	\$ -	\$ 1,500,938	\$ -	\$ (1,512,623)	\$ (3,832)
Issuance of Common Stock	1,423,000	1,423			2,000,000	2,000			(2,000)	212,027			213,450
Net loss												(355,461)	(355,461)
Balances, December 31, 2007 (Unaudited)	9,275,536	9,276	-	-	2,000,000	2,000	-	-	(2,000)	1,712,965	-	(1,868,084)	(145,843)
Issuance of Common Stock	4,330,690	4,330	1,750,000	1,750,000						(925,536)			828,794
Net loss												(960,963)	(960,963)
Balances, December 31, 2008 (Unaudited)	13,606,226	13,606	1,750,000	1,750,000	2,000,000	2,000	-	-	(2,000)	787,429	-	(2,829,047)	(278,012)
Issuance of Common Stock	6,047,700	6,048	(1,500,000)	\$ (1,500,000)						1,876,669			382,717
Net loss												517,717	517,717
Balances, December 31, 2009 (Audited)	19,653,926	19,654	250,000	250,000	2,000,000	2,000	-	-	(2,000)	2,664,098	-	(2,311,330)	622,422
Issuance of Common Stock	5,135,525	5,135								201,845			206,980
Issuance of Class C Preferred Stock							480,000	480		1,086,409			1,086,889
Comprehensive income											76,000		76,000
Net loss												(451,420)	(451,420)
Balances, December 31, 2010 (Audited)	24,789,451	24,789	250,000	250,000	2,000,000	2,000	480,000	480	(2,000)	3,952,352	76,000	(2,762,750)	1,540,871
Issuance/Redemption of Common Stock	5,743,252	5,743								1,586,838			1,592,581
Issuance/Redemption of Class C Preferred Stock							389,700	390		1,520,410			1,520,800
Comprehensive income											(682,355)		(682,355)
Net loss												(674,598)	(674,598)
Balances, December 31, 2011 (Unaudited)	30,532,703	30,532	-	-	2,000,000	2,000	869,700	870	(2,000)	7,059,600	(606,355)	(3,437,348)	3,047,299
Issuance/Redemption of Common Stock	629,300	629								40,857			41,486
Issuance/Redemption of Class C Preferred Stock							450,000	450		1,300,650			1,301,100
Comprehensive income											(667,445)		(667,445)
Net loss												(504,772)	(504,772)
Balances, December 31, 2012 (Unaudited)	31,162,003	31,162	-	-	2,000,000	2,000	1,319,700	1,320	(2,000)	8,401,107	(1,273,800)	(3,942,120)	3,217,669
Issuance/Redemption of Common Stock	3,018,600	3,020								327,801			330,821
Comprehensive income											(386,000)		(386,000)
Net loss												(98,787)	(98,787)
Balances, December 31, 2013 (Unaudited)	<u>34,180,603</u>	<u>34,181</u>	<u>-</u>	<u>\$ -</u>	<u>2,000,000</u>	<u>2,000</u>	<u>1,319,700</u>	<u>1,320</u>	<u>\$ (2,000)</u>	<u>\$ 8,728,908</u>	<u>\$ (1,659,800)</u>	<u>\$ (4,040,907)</u>	<u>\$3,063,702</u>

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

COMPLETE FINANCIAL SOLUTIONS, INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended December 31, 2012 and 2013

	2012	2013
Cash flows provided (used) by operating activities:		
Net income (loss)	\$ (504,772)	\$ (98,787)
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation	84,402	87,675
Stock issued for Services and Compensation		95,600
Changes in operating assets and liabilities:		
(Decrease)/Increase in assets:		
Accounts receivable	(354,553)	284,156
Other assets	(107,882)	(55,527)
Increase (decrease) in liabilities:		
Accounts payable	165,756	18,030
Accrued payroll and payroll taxes	536,300	(475,944)
Payable to branches	(39,764)	29,400
Net cash provided (used) by operating activities	<u>(220,513)</u>	<u>(115,397)</u>
Cash flows provided (used) by investing activities:		
Investment in available for sale securities	(1,278,785)	
Investment in subsidiary	-	(141,841)
Additions to property and equipment	(25,387)	(42,387)
Net cash provided (used) by investing activities	<u>(1,304,172)</u>	<u>(184,228)</u>
Cash flows provided (used) by financing activities:		
Checks written in excess of deposits	(39,632)	-
(Decrease)/Increase in notes payable	114,760	(54,557)
(Decrease)/Increase in revolving lines	23,119	15,604
Decrease/(Increase) in loans held for sale	(6,753,455)	(6,133,112)
(Decrease)/Increase in warehouse line of credit	6,753,455	6,133,112
Issuance of common stock	1,617,690	235,220
(Increase)/Decrease in investment in subsidiary	27,452	-
Net cash provided (used) by financing activities	<u>1,743,389</u>	<u>196,267</u>
Increase (decrease) in cash	218,704	(103,358)
Cash, at beginning of year	9,912	228,616
Cash, at end of year	<u>\$ 228,616</u>	<u>\$ 125,258</u>

Supplemental Disclosure of Non-cash Investing and Financing Activities:

Change in Loans Held for Sale and Warehouse Line of Credit	\$ 3,254,850	\$ 6,133,112
Increase in Available for Sale Securities and Other Comprehensive Income	\$ -	\$ 386,000
Conversion of Long-Term Debt to Common Stock through exercise of warrants	\$ -	\$ 100,000

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

COMPLETE FINANCIAL SOLUTIONS INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 1 – *Organization of Business:*

Complete Financial Solutions Inc. and Subsidiaries (the Company) was incorporated under the laws of the State of Nevada on July 7, 2006. The Company is a financial services holding company that owns and operates a broker residential mortgages company and a mortgage processing company that maintains offices throughout the United States of America.

NOTE 2 – *Summary of Significant Accounting Policies:*

Basis of presentation - The accompanying financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America and reflect all adjustments, consisting of normal recurring adjustments, which management believes are necessary to fairly present the financial position, results of operations and cash flows of the Company as December 31, 2012 and 2013.

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

Cash and cash equivalents - The Company considers all highly liquid debt securities purchased with original or remaining maturities of three months or less to be cash equivalents. The carrying value of cash equivalents approximates fair value.

Accounts Receivable - The Company considers its receivables to be fully collectible; accordingly, no allowance for doubtful accounts has been recorded. If amounts become uncollectible, they will be charged to operations when that determination is made.

Comprehensive income - Comprehensive income includes net profits as currently reported by the Company adjusted for other comprehensive income, net of comprehensive losses. Other comprehensive income for the Company consists of unrealized gains and losses related to the Company's equity securities accounted for available-for-sale with changes in fair value recorded through stockholders' equity.

Fair value of financial instruments - The Company's financial instruments include cash, accounts receivable, accounts payable, and notes payable. All instruments are accounted for on a historical cost basis, which, due to the short maturity of these financial instruments, approximates fair value at December 31, 2012 and December 31, 2013. The Company did not engage in any transaction involving derivative instruments.

Stock Based Compensation - The Company recognizes stock-based compensation in accordance with ASC Topic 718 "Stock Compensation", which requires the measurement and recognition of compensation expense for all share-based payment awards made to employees and directors including employee stock options and employee stock purchases related to an Employee Stock Purchase Plan based on the estimated fair values.

For non-employee stock-based compensation, we have adopted ASC Topic 505 "Equity-Based Payments to Non-Employees", which requires stock-based compensation related to non-employees to be accounted for based on the fair value of the related stock or options or the fair value of the services on the grant date, whichever is more readily determinable in accordance with ASC Topic 718.

COMPLETE FINANCIAL SOLUTIONS INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

Income Taxes – The Company provides for income taxes in accordance with Accounting Standards Codification No. 740 using an asset and liability based approach. Deferred income tax assets and liabilities are recorded to reflect the tax consequences on future years of temporary differences of revenue and expense items for financial statement and income tax purposes.

The Company has incurred net operating losses over the past several years. As of December 31, 2013, the Company had a net operating loss carryforward available to offset future taxable income for federal and state income tax purposes.

ASC No. 740 requires the Company to recognize income tax benefits for loss carryforwards that have not previously been recorded, the tax benefits recognized must be reduced by a valuation loss if it is more likely than not that loss carryforwards will expire before the Company is able to realize their benefit, or that future deductibility is uncertain. For financial statement purposes, the deferred tax asset for loss carryforwards has been fully offset by a valuation allowance since it is uncertain whether any future benefit will be realized.

Property and Equipment - All property and equipment is recorded at cost and depreciated over ten years using the straight-line method. Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts, and the resulting gain or loss is recorded.

Repairs and maintenance charges that do not increase the useful lives of the assets are charged to operations as incurred.

Depreciation expense for the years ended December 31, 2012 and December 31, 2013 were \$84,402 and \$87,675, respectively.

Advertising costs – The Company expenses all costs of advertising as incurred. The advertising costs included in general and administrative expenses for the nine months ended December 31, 2012 and December 31, 2013 were \$280,775 and \$324,834, respectively.

Recently Issued Accounting Pronouncements - As of and for the periods ended December 31, 2012 and December 31, 2013, the Company does not expect any of the recently issued accounting pronouncements to have a material impact on its financial condition or results of operations.

NOTE 3 – Revolving Lines and Line of Credit:

The Company had a secured line of credit in the amount of \$40,000 as of December 31, 2012. The limit was increased to 50,000 in 2013. The balance of this line of credit was \$27,735 on December 31, 2013 and \$20,208 on December 31, 2012 with interest rates of 1.99% to 24.99%.

COMPLETE FINANCIAL SOLUTIONS INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 4 - Long-term Debt:

Long-term debt at December 31, 2013 is summarized as follows:

	Due Within One Year	Due After One Year	Totals 12/31/2013
Note payable with no set monthly Payments with accrued interest at 24%	-	-	-
Note payable with no set monthly Payments with accrued interest at 12%	15,000	163,493	178,493
Note payable with no set monthly Payments with accrued interest at 6%	-	35,417	35,417
Note payable with no set monthly Payment and no set interest rate	-	9,750	9,750
	15,000	208,660	223,660

Future maturities of long-term debt are as follows:

December 31, 2014	15,000
December 31, 2015	26,000
December 31, 2016	7,000
2017 and beyond	175,660
	223,660

NOTE 5 - Warehouse line of credit:

The Company has two warehouse lines of credit, one for \$5,000,000 and the other for \$2,000,000. Each line bears interest at the Note rate of the loans on the line. The lines of credit are secured by the mortgages loans held for sale. Principal and interest payments are due as mortgage loan sales close. At December 31, 2012 and December 31, 2013 there were \$7,889,242 and \$1,756,130 outstanding under these warehouse lines. All of these loans on the warehouse lines were sold in the normal course of business shortly after the end of the period.

COMPLETE FINANCIAL SOLUTIONS INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 6 – Insurance Policy

The Company owns 100% of the outstanding share of a corporation. The corporation has assets totaling \$330,000 at December 31, 2011. The corporation had no income or expenses from inception to December 31, 2011. The Company determined that the asset in this investment had materially decreased and wrote off the investment at December 31, 2012.

NOTE 7 – Investment in Bank

In Oct of 2007, the Company tendered \$100,000 to a federal charter commercial bank simultaneous with signing a definitive agreement for the purchase of the bank. On May 23, 2008, the Company tendered an additional \$25,000 to the bank in exchange for additional time to complete the transaction. The agreement expired on December 31, 2008, with the Company losing its rights under the purchase agreement. However, discussions are still underway and funds to complete the purchase may be made available by third parties after an integration strategy between the parties is in place and implementation of those strategies is proven successful.

NOTE 8 – Investments

The following is a summary of the investments in available-for-sale securities classified as current assets at December 31, 2012:

Available-for-sale Securities	Cost	Unrealized Gain (Loss)	Gross Value	Estimated Fair Market Value
Equity securities	\$2,528,300	\$(1,273,800)	\$1,254,500	\$1,254,500

The following is a summary of the investments in available-for-sale securities classified as current assets at December 31, 2013:

Available-for-sale Securities	Cost	Unrealized Gain (Loss)	Gross Value	Estimated Fair Market Value
Equity securities	\$2,528,300	\$(1,659,800)	\$868,500	\$868,500

On December 1, 2010 the Company acquired 400,000 common shares of Augme Technologies Inc. [AUGT] in exchange for Class C Preferred Stock. The Company then transferred these shares to a wholly-owned subsidiary in exchange for common stock.

During 2011, the Company acquired 100,000 of Augme Technology Inc. shares in exchange for Class C Preferred Stock. The Company transferred these shares to a wholly-owned subsidiary in exchange for common stock.

The market value of the Augme shares was \$2.94 on December 31, 2010 and \$1.34 on December 31, 2011.

COMPLETE FINANCIAL SOLUTIONS INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

During 2011, the Subsidiary sold 100,000 shares of Augme Technologies Inc., resulting in a loss of \$54,427.

During 2012, the Company acquired 1,450,000 shares of Augme stock with market values of \$1.79 and \$0.728. The Company transferred these shares to a wholly-owned subsidiary in exchange for common stock. The Company owned 1,930,000 shares of Augme stock at year-end.

The trading price of this stock was \$0.45 on December 31, 2013 and \$0.65 on December 31, 2012.

NOTE 9 - Provision for Income Taxes:

The Company provides for income taxes in accordance with Accounting Standards Codification No. 740 using an asset and liability based approach. Deferred income tax assets and liabilities are recorded to reflect the tax consequences on future years of temporary differences of revenue and expense items for financial statement and income tax purposes.

The Company has incurred net operating losses over the past several years. As of December 31, 2009 the Company had a net operating loss carryforward available to offset future taxable income for federal and state income tax purposes.

ASC No. 740 requires the Company to recognize income tax benefits for loss carryforwards that have not previously been recorded. The tax benefits recognized must be reduced by a valuation allowances of it more likely than not that the loss carryforwards will expire before the Company is able to realize their benefit, or that future deductibility is uncertain. For financial statement purposes, the deferred tax asset for loss carryforwards has been fully offset by a valuation allowance since it is uncertain whether any future benefit will be realized.

The provision for refundable Federal income tax consists of the following:

	2012	2013
Refundable Federal income tax attributable to:		
Current operations	\$(171,622)	\$(11,488)
Less, Nondeductible expenses	-0-	-0-
-Less, Change in valuation allowance	171,622	11,488
Net refundable amount	-	-

The cumulative tax effect at the expected rate of 34% of significant items comprising our net deferred tax amount is as follows:

	2012	2013
Deferred tax asset attributable to:		
Net operating loss carryover	\$1,340,321	\$1,351,809
Less, Valuation allowance	(1,340,321)	(1,351,809)
Net deferred tax asset	-	-

At December 31, 2013 the Company has loss carry forwards that total \$3,975,907 that begin to expire in 2016.

COMPLETE FINANCIAL SOLUTIONS INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 10 – Operating Leases:

The Company conducts its operation from various leased facilities under short-term operating leases that expire at various dates. Aggregate rent for the year ended December 31, 2012 was \$235,479 and \$288,951 for the period ending December 31, 2013.

The Company is lessee of office equipment and furniture under various operating leases, which expire through October 30, 2014. Equipment rent for the year ended December 31, 2012 was \$15,564 and \$20,373 for the year ended December 31, 2013.

Future minimum lease payments under the leases are as follows:

	Facility <u>Leases</u>	Equipment <u>Leases</u>
December 31, 2014	33,356	8,903
December 31, 2015	0	0
December 31, 2015	0	0
December 31, 2015	0	0
Thereafter	0	0
	\$ <u>33,356</u>	\$ <u>8903</u>

NOTE 11 – Preferred Stock:

The Company has authorized three classes of Preferred Stock.

SERIES A PREFERRED STOCK. The Company issued 1.5 million shares of Series A Preferred Stock to the selling shareholders of Acceptance Capital Mortgage Corp and 250,000 shares to a cash investor, at price of \$1.00 per share. The shares were convertible to common shares, at the option of the shareholder, after 18 months, at the rate of two common shares for each share of Series A Preferred Stock.

The selling shareholders converted all their Series A preferred into common shares on or before April 1, 2009. The remaining 250,000 issued and outstanding shares of Series A Preferred Stock were converted into shares of Series C Preferred Stock in February 2011.

SERIES B PREFERRED STOCK. In 2001 the Company granted its founder the option to purchase 2 million shares of Series B Preferred Stock at the purchase price of \$0.10 per share. On Dec 31, 2008, the shares were issued in a cashless exercise of the option and subsequently assigned by the founder to Choctaw Development Inc, an affiliated entity.

The Series B Preferred shares have the right to 10 votes for each share, on all matters to come before the shareholders for a vote.

The Series B Preferred shares are convertible to common shares, at the option of the holder, at the rate of one common share for each preferred share converted.

COMPLETE FINANCIAL SOLUTIONS INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

SERIES C PREFERRED STOCK. 480,000 shares at \$5.00 per share were issued in December 2010 in exchange for 400,000 common shares of Augme Technologies Inc. At December 31, 2010, the Augme shares had a market value of \$2.94 per share.

At the option of the holder the Series C Preferred shares can be converted into common shares at a value discount of 50% of the public market value on or after the date 18 months following issuance.

SERIES C PREFERRED: In 2011, four tranches of Series-C preferred shares were issued.

- 213,700 shares at \$5.00 per share were issued for debt conversion and the retirement of the remaining Series-A preferred shares.
- 125,000 shares at \$5.00 per share were for 100,000 shares of AUGME stock that had a market value of \$425,000 on the date of issue.
- 1,000 shares at \$5.00 per share were issued for an operational expense.
- 50,000 shares at \$5.00 per share were issued for 80,000 shares of AUGME stock that had a market value of \$100,800 on the date of issue

SERIES C PREFERRED: In 2012, two tranches of Series-C preferred shares were issued.

- 150,000 shares at \$5.00 per share were issued for 250,000 shares of AUGME stock that had a market value of \$447,500 on the date of issue.
- 300,000 shares at \$5.00 per share were issued for 1,200,000 shares of AUGME stock that had a market value of \$873,600 on the date of issue.

At December 31, 2012 and December 31, 2013 there were 1,319,700 shares of Series C Preferred Stock outstanding.

NOTE 12 – Common Stock:

During 2007, the Company issued 1,423,000 shares at an average price of \$0.15. These shares are restricted from trading for a minimum of 12 months.

During 2008, the Company issued 4,330,690 shares at par value in an attempt to raise funds for current operations. These shares are restricted from trading for a minimum of 12 months.

During 2009, the Company issued 6,047,700 shares at an average price of \$0.31 per share. These shares also included the conversion of 1,500,000 Preferred A shares from the purchase of subsidiary. These shares are restricted from trading for a minimum of 12 months.

During 2010, the Company issued 5,135,525 shares at an average price of \$0.04 per share. These shares are restricted from trading for a minimum of 12 months.

During 2011, the Company issued 5,743,252 shares at an average price of \$0.28 per share. These shares are restricted from trading for a minimum of 12 months.

During 2012, the Company issued 4,629,300 shares at an average price of \$0.07 per share. These shares are restricted from trading for a minimum of 12 months.

During 2013, the Company issued 6,018,600 shares at an average price of \$0.09 per share. These shares are restricted from trading for a minimum of 12 months.

COMPLETE FINANCIAL SOLUTIONS INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

NOTE 13 – Warrants:

The company has warrants outstanding for the exercise of common stock as follows:

- There are warrants exercisable into 2,250,000 shares of common at an average price of \$0.11 per share that expire in 2013. In 2013 1,250,000 warrants were exercised at an average price of \$0.10 per share.
- There are warrants exercisable into 1,545,000 shares of common at an average price of \$0.10 per share that expire in 2014.
- There are warrants exercisable into 100,000 shares of common at an average price of \$0.10 per share that expire in 2015.
- There are warrants exercisable into 250,000 shares of common at an average price of \$0.10 per share that expire in 2016.

Any exercised shares issued will be restricted from trading for a minimum of 12 months.

COMPLETE FINANCIAL SOLUTIONS INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

Note 14 – Consolidated Statements

Following are the subsidiary statements:

Complete Financial Solutions, Inc.
Consolidated Statement of Condition
For Year Ended Dec 31, 2013

STATEMENT OF CONDITION

	CFSI	ACMC	AlliancePro	Allpro AMC Inc	Insurance Solutions	Eliminations	Consolidated
ASSETS:							
Current Assets:							
Cash	\$ 2,769	\$ 128,169	\$ 162	\$ -	\$ 1,305		\$ 132,405
Accounts Receivable	-	144,352	26,745	-	-		171,097
Notes Receivable	-	1,756,130	-	-	-		1,756,130
Available for Sale Securities	-	1,850,430	-	-	-	(981,930)	868,500
Investment in ACMC	5,156,489	-	-	-	-	(2,432,338)	2,724,151
Investment in Bald Eagle	-	-	-	-	-		-
Investment in AlliancePro/Insurance Solut.	10,506	-	-	-	-	(10,506)	0
Investment in AC Funding	-	-	-	-	-		-
Other Current Assets	248,603	98,500	-	-	-		347,103
Total Current Assets	5,418,368	3,977,580	26,907	-	1,305	(3,424,774)	5,999,385
Fixed Assets, net of Accumulated Depreciation	-	266,518	-	-	-		266,518
Other Assets:							
Receivables - Intercompany	(236,422)	6,160	3,700	(161)	(24,422)	251,144	(0)
Trust Account	-	-	-	-	-		-
Total Other Assets	(236,422)	6,160	3,700	(161)	(24,422)	251,144	(0)
TOTAL ASSETS	\$ 5,181,946	\$ 4,250,258	\$ 30,607	\$ (161)	\$ (23,117)	\$ (3,173,630)	\$ 6,265,903
	-	-	-	-	-	-	-
LIABILITIES AND OWNERS EQUITY							
Current Liabilities:							
Accounts Payable	\$ 244,658	\$ 140,407	\$ -	\$ -	\$ -		\$ 385,065
Checks issued in excess of deposits	7,147	-	-	-	-		7,147
Warehouse Line of Credit	-	1,756,130	-	-	-		1,756,130
Accrued Payroll	-	164,166	-	-	-		164,166
Payroll Liabilities	-	527,210	4,058	-	120		531,388
Accrued Benefits	-	-	-	-	-		-
Equipment Loan and Leases	-	-	-	-	-		-
Loans/Lines of Credit	-	38,723	-	-	-		38,723
Trust Account Payable	-	-	-	-	-		-
Accrued Interest Payable	-	-	-	-	-		-
Current Portion of Long-Term Debt	15,000	-	-	-	-		15,000
Total Current Liabilities	266,805	2,626,635	4,058	-	120	-	2,897,619
Long-Term Liabilities							
Intercompany	10,506	-	1,738	-	-	(12,244)	-
Payable to branches	-	98,922	-	-	-		98,922
Long-Term Debt	198,910	9,750	-	-	-	-	208,661
Total Long-Term Debt	209,417	108,672	1,738	-	-	(12,244)	307,583
	476,222	2,735,307	5,796	-	120		3,205,201
OWNERS EQUITY:							
Common Stock	38,181	9,950	950	-	-	(14,900)	34,181
Preferred Stock	-	-	-	-	-	-	-
Series A preferred stock	-	-	-	-	-	-	-
Series B preferred stock	2,000	-	-	-	-	-	2,000
Series C preferred stock	1,320	-	-	-	-	-	1,320
Stock subscription Receivable	(2,000)	-	-	-	-	-	(2,000)
Paid in Suplus	8,978,521	3,412,220	-	-	-	(3,661,832)	8,728,909
Other Comprehensive Income	-	(1,197,870)	-	-	-	(461,930)	(1,659,800)
Retained Earnings	(4,312,297)	(709,349)	23,861	(161)	(23,237)	980,276	(4,040,907)
Total Owners Equity	4,705,724	1,514,951	24,811	(161)	(23,237)	(3,158,386)	3,063,702
TOTAL LIABILITIES AND OWNERS EQUITY	\$ 5,181,946	\$ 4,250,258	\$ 30,607	\$ (161)	\$ (23,117)	\$ (3,170,630)	\$ 6,268,903

COMPLETE FINANCIAL SOLUTIONS INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

Complete Financial Solutions, Inc.
Consolidated Statement of Income/(Loss)
For Year Ended Dec 31, 2013

STATEMENT OF INCOME/(LOSS)

	CFSI	ACMC	AlliancePro	Allpro AMC	Insurance Solutions	Eliminations	Consolidated
Revenue	\$ -	\$ 6,734,361	\$ 60,660	\$ -	\$ -		\$ 6,795,021
General and Administrative Expenses:							
Salaries and wages	-	3,710,417	50,847	-	4,141		3,765,405
Payroll taxes	-	379,495	-	-	-		379,495
Employee benefits	-	-	-	-	-		-
Loan costs/CGS	-	901,871	-	-	-		901,871
Advertising costs	42,164	302,670	-	-	-		344,834
Insurance expense	-	123,506	-	-	-		123,506
Office expenses	2,455	107,602	1,554	-	-		111,611
Website expenses	5,726	129,493	8,010	-	-		143,229
Postage and delivery	-	37,621	-	-	-		37,621
Rent expense	-	288,951	-	-	-		288,951
Dues and subscriptions	4,200	996	275	-	-		5,471
Professional fees	210,098	77,419	2,130	-	-		289,647
Utilities	-	18,809	1,303	-	-		20,112
Taxes and licenses	-	45,134	-	-	817		45,951
Equipment	446	20,376	-	-	-		20,822
Telephone expenses	-	136,242	-	-	-		136,242
Meals and entertainment	36,720	14,914	-	-	-		51,634
Travel expense	-	31,619	-	-	-		31,619
Depreciation expense	-	87,675	-	-	-		87,675
Miscellaneous Expenses	45,687	106,205	544	131	-		152,568
Total General and Administrative Expenses	347,496	6,521,015	64,663	131	4,959	-	6,938,264
Other Income/(Expenses)							
Other Income	271,390	73,805	-	-	-	(271,390)	73,805
Other Expense	-	-	-	-	-		-
Interest Expense	(22,680)	(6,669)	-	-	-		(29,349)
Loss on sale of securities	-	-	-	-	-		-
Net Other Income/(Expense)	248,710	67,137	-	-	-	(271,390)	44,456
Net Income/(Loss) before Income Taxes	(98,787)	280,483	(4,003)	(131)	(4,959)	(271,390)	(98,787)
Corporate Income Tax	-	-	-	-	-		-
Net Income/(Loss)	\$ (98,787)	\$ 280,483	\$ (4,003)	\$ (131)	\$ (4,959)	\$ (271,390)	\$ (98,787)

COMPLETE FINANCIAL SOLUTIONS INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

Complete Financial Solutions, Inc.
Consolidated Statement of Condition
For the Year Ended December 31, 2012

STATEMENT OF CONDITION

	CFSI	ACMC	AlliancePro	Allpro AMC Inc	Insurance Solutions	Eliminations	Consolidated
ASSETS:							
Current Assets:							
Cash	\$ (1,617)	\$ 227,891	\$ 1,274	\$ 33	\$ 1,035		\$ 228,616
Accounts Receivable	-	426,568	28,685	-	-		455,253
Notes Receivable	-	7,889,242	-	-	-		7,889,242
Available for Sale Securities	-	1,534,500	-	-	-	(280,000)	1,254,500
Investment in ACMC	5,042,057	-	-	-	-	(2,456,747)	2,585,310
Investment in Bald Eagle	-	-	-	-	-	-	-
Investment in AlliancePro/Insurance Solut.	10,506	-	-	-	-	(10,506)	0
Investment in AC Funding	-	-	-	-	-	-	-
Other Current Assets	202,950	88,626	-	-	-	-	291,576
Total Current Assets	5,253,897	10,166,828	29,959	33	1,035	(2,747,253)	12,704,498
Fixed Assets, net of Accumulated Depreciation	-	311,806	-	-	-	-	311,806
Other Assets:							
Receivables - Intercompany	(0)	2,905	3,700	(62)	(18,787)	12,244	(0)
Trust Account	-	-	-	-	-	-	-
Total Other Assets	(0)	2,905	3,700	(62)	(18,787)	12,244	(0)
TOTAL ASSETS	\$ 5,253,896	\$ 10,481,538	\$ 33,659	\$ (30)	\$ (17,752)	\$ (2,735,009)	\$ 13,016,303
LIABILITIES AND OWNERS EQUITY							
Current Liabilities:							
Accounts Payable	\$ 223,453	\$ 143,582	\$ -	\$ -	\$ -		\$ 367,035
Warehouse Line of Credit	-	7,889,242	-	-	-		7,889,242
Accrued Payroll	-	530,653	-	-	-		530,653
Payroll Liabilities	-	637,211	3,108	-	526		640,845
Accrued Benefits	-	-	-	-	-		-
Equipment Loan and Leases	-	-	-	-	-		-
Loans/Lines of Credit	-	23,119	-	-	-		23,119
Trust Account Payable	-	-	-	-	-		-
Accrued Interest Payable	-	-	-	-	-		-
Current Portion of Long-Term Debt	51,000	-	-	-	-		51,000
Total Current Liabilities	274,453	9,223,807	3,108	-	526	-	9,501,894
Long-Term Liabilities							
Intercompany	10,506	-	1,738	-	-	(12,244)	-
Payable to branches	-	69,522	-	-	-	-	69,522
Long-Term Debt	197,468	29,750	-	-	-	-	227,218
Total Long-Term Debt	207,974	99,272	1,738	-	-	(12,244)	296,740
	482,427	9,323,079	4,846	-	526	-	9,798,634
OWNERS EQUITY:							
Common Stock	35,162	9,950	950	-	-	(14,900)	31,162
Preferred Stock	-	-	-	-	-	-	-
Series A preferred stock	-	-	-	-	-	-	-
Series B preferred stock	2,000	-	-	-	-	-	2,000
Series C preferred stock	1,320	-	-	-	-	-	1,320
Stock subscription Receivable	(2,000)	-	-	-	-	-	(2,000)
Paid in Suplus	8,677,107	3,412,220	-	-	-	(3,688,220)	8,401,107
Other Comprehensive Income	-	(1,273,800)	-	-	-	-	(1,273,800)
Retained Earnings	(3,942,120)	(989,911)	27,864	(30)	(18,278)	980,355	(3,942,120)
Total Owners Equity	4,771,469	1,158,459	28,814	(30)	(18,278)	(2,722,765)	3,217,669
TOTAL LIABILITIES AND OWNERS EQUITY	\$ 5,253,896	\$ 10,481,538	\$ 33,659	\$ (30)	\$ (17,752)	\$ (2,735,009)	\$ 13,016,303

COMPLETE FINANCIAL SOLUTIONS INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

Complete Financial Solutions, Inc.
Consolidated Statement of Income/(Loss)
For the Year Ended December 31, 2012

STATEMENT OF INCOME/(LOSS)

	CFSI	ACMC	AlliancePro	Allpro AMC	Insurance Solutions	Eliminations	Consolidated
Revenue	\$ -	\$ 6,776,942	\$ 106,010	\$ 12,286	\$ -		\$ 6,895,238
General and Administrative Expenses:							
Salaries and wages	1,810	3,867,369	41,581	-	14,687		3,925,447
Payroll taxes	-	573,166	-	-	-		573,166
Loan costs/CGS	-	1,003,849	-	-	-		1,003,849
Advertising costs	4,734	275,716	-	-	325		280,775
Insurance expense	-	98,872	-	-	-		98,872
Office expenses	871	127,177	2,676	380	273		131,376
Website expenses	1,128	91,232	21,430	-	11		113,801
Postage and delivery	-	27,232	-	-	-		27,232
Rent expense	-	235,479	-	-	-		235,479
Dues and subscriptions	4,200	425	-	-	-		4,625
Professional fees	146,093	86,234	24,108	8,621	-		265,056
Utilities	-	14,973	2,686	-	-		17,658
Taxes and licenses	-	40,343	349	805	330		41,827
Equipment	170	14,615	-	-	-		14,785
Telephone expenses	-	115,039	-	-	373		115,412
Meals and entertainment	26,335	6,504	-	-	-		32,839
Travel expense	-	8,097	280	-	-		8,377
Depreciation expense	-	84,402	-	-	-		84,402
Miscellaneous Expenses	3,860	380,541	(500)	1,613	-		385,514
Total General and Administrative Expenses	189,201	7,051,267	92,608	11,419	15,998	-	7,360,492
Other Income/(Expenses)							
Other Income	0	1,246	-	-	-		1,246
Other Expense	(291,844)	-	-	-	-	291,844	-
Interest Expense	(23,727)	(17,037)	-	-	-	-	(40,764)
Loss on sale of securities	-	-	-	-	-	-	-
Net Other Income/(Expense)	(315,571)	(15,791)	-	-	-	291,844	(39,518)
Net Income/(Loss) before Income Taxes	(504,772)	(290,116)	13,402	867	(15,998)	291,844	(504,772)
Corporate Income Tax	-	-	-	-	-	-	-
Net Income/(Loss)	\$ (504,772)	\$ (290,116)	\$ 13,402	\$ 867	\$ (15,998)	\$ 291,844	\$ (504,772)

NOTE 15 – Legal Proceedings and Litigation Contingencies:

In December 2012, a lawsuit was filed against our subsidiary ACMC by the assignee of a loan funded in 2004 by a third-party bank for which ACMC acted as mortgage broker (*Lehman Brothers Holding Incorporated v. Acceptance Capital Mortgage Corporation*, U.S. District Court for the State of Arizona, Case No. 4:12cv00900). Plaintiff alleges breach of contract by ACMC for failing to properly prequalify the borrower and/or repurchase the loan upon assignee's demand. Plaintiff seeks damages in an amount to be proven at trial plus costs and attorneys' fees. ACMC has denied the allegations.

Management has regular litigation reviews, including updates from outside counsel, to assess the need for accounting recognition or disclosure of contingencies relating to pending lawsuits. The Company accrues an undiscounted liability for those contingencies where the incurrence of a loss is probable, and the amount can be reasonably estimated. The Company does not record liabilities when the likelihood that the liability has been incurred is probable but the amount cannot be reasonably estimated or when the liability is believed to be only reasonably possible or remote. For contingencies where an unfavorable outcome is reasonably possible and which are significant, the Company discloses the nature of the contingency and, where feasible, an estimate of the possible loss. For purposes of our litigation contingency disclosures, "significant" includes material matters as well as other items which management believes should be disclosed.

Management judgment is required related to contingent liabilities and the outcome of litigation because both are difficult to predict. Litigation is subject to inherent uncertainties and unfavorable rulings could occur. Although management currently believes resolving the foregoing proceeding will not have a

COMPLETE FINANCIAL SOLUTIONS INC AND SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

December 31, 2013

material adverse impact on our financial statements, management's view of these matters may change in the future. A material adverse impact on our financial statements could occur for the period in which the effect of an unfavorable final outcome becomes probable and reasonably estimable.

From time to time we are subject to a variety of claims and litigation incurred in the ordinary course of business. In our opinion, the outcome of other pending legal proceedings, individually or in the aggregate, will not have a material adverse effect on our business operations, results of operations, cash flows or financial condition.