CANNAGROW HOLDINGS, INC.

FINANCIAL STATEMENTS

FOR THE PERIODS ENDED

September 30, 2014
&
December 31, 2013

-Financial Principal's Letter Regarding Financial Statements

-September 30, 2014, Quarterly Financial Statements and Accompanying Notes

CERTIFICATION

The financial information contained in this report is unaudited and is based upon present knowledge and belief. This information is believed to be correct and does not contain untrue statement of material fact and is in accordance with generally accepted accounting principles, consistently applied.

These financial statements and the notes hereto, fairly present in all material respects the financial condition, results of operations and cash flows for the nine months and three months ended September 30, 2014, and in conformity with generally accepted accounting principles in the United States, consistently applied.

The Issuer has duly caused this report to be signed and certified on its behalf by the undersigned, duly authorized, on this 20th Day of November, 2014.

/s/ Delmar Janovec

Delmar Janovec
President and Principal
Financial Officer

CROUCH & ASSOCIATES
1453 SOUTH MAJOR STREET
SALT LAKE CITY, UTAH 84115

CannaGrow Holdings, Inc.
(formerly, BizAuctions, Inc.)
Mr. Delmar Janovec, President
12835 E. Arapahoe Rd., Suite 2-#800
Centennial, Co. 80112

Dear Mr. Janovec,

I have compiled the accompanying consolidated balance sheet of CannaGrow Holdings, Inc., (the "Company"), and its wholly-owned subsidiaries as of September 30, 2014, and the related consolidated statements of operations, changes in stockholders' deficit and cash flows for three months and nine months then ended in accordance with Statements of Standards for Accounting and Review Services issue by the American Institute of Certified Public Accounts.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. I have not audited or reviewed the accompanying financial statements and accordingly, do not express an opinion or any other form of assurance on them.

These financial statements have been prepared in accordance with Unites States generally accepted accounting principles.

I have participated in the decision making process regarding certain financial transactions and am therefore not independent.

/s/ Brent Crouch

Brent Crouch
November 20, 2014
Salt Lake City, Utah

CANNAGROW HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	September 30, 2014 (unaudited)	December 31, 2013 (unaudited)
ASSETS:		
Current Assets:		
Cash	$ 3,858	$ 4,375
Inventory (Note D)	1,647	3,147
Prepaid expenses	1,050	
Note receivable (H)	16,183	16,183
Due from affiliates	-	139,208
Total Current Assets	22,738	162,913
Plant, Property and Equipment (net)	-	-
Deposits	3,100	-
Intangible assets - Candwich License	250,000	250,000
Total Assets	$ 275,838	$ 412,913
LIABLIITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable and accrued expenses	$ 799,303	$ 726,368
Note Payable - related party (Note E)	528,777	440,866
Note Payable, short-term (Note G)	1,809,792	2,241,952
Total Current Liabilities	3,137,872	3,409,186
Total Liabilities	3,137,872	3,409,186
STOCKHOLDERS' DEFICIT		
Preferred stock, Series D, $.001 par value; 25,000,000 shares authorized 10,000,000 shares issued and outstanding,	10,000	10,000
Preferred stock, Series C convertible stock, 20,000,000 shares authorized 0 shares issued and outstanding converts to $5 of common shares per each share of preferred	135	135
Preferred stock - Series A convertible stock, 100,000,000 shares authorized; voting rights - 10 votes to one share of common; 42,000,000 issued and outstanding	42,000	42,000
Common stock, $.001 par value; 2,000,000,000 shares authorized; 127,073,434 and 98,333,434 issued and outstanding at September 30, 2014 and December 31, 2013	127,073	98,333
Additional paid-in Capital	7,540,055	7,356,095
Subscription receivable		
Retained deficit	(10,581,297)	(10,502,836)
Total Stockholders' Deficit	(2,862,034)	(2,996,273)
Total Liabilities and Stockholders' Deficit	$ 275,838	$ 412,913

(The notes are an integral part of this financial statement.)

CANNAGROW HOLDINGS, INC.
CONSOLIDATED STATEMENT OF LOSS
(unaudited)

	Three Months Ended September 30, 2014	Three Months Ended September 30, 2013	Six months ended September 30, 2014	Six months ended September 30, 2013
Revenues	$ 5,000	$ 8,500	$ 26,550	$ 38,382
Cost of goods sold	5,000	9,395	20,000	43,043
Gross profit	-	(895)	6,550	(4,661)
Operating expenses:				
Selling, general and administrative expenses	72,625	68,050	177,222	191,578
Depreciation and amortization	-	-	-	341
Total operating expenses	72,625	68,050	177,222	191,919
Other income and expenses:				
Interest expense	39,234	51,232	133,520	154,113
Loss before tax and extraordinary items	(111,859)	(120,177)	(304,192)	(350,693)
Loss on obsolete inventory	-		-	(55,000)
Loss on write-off of Note Receivable - Affiliates	-	-	(139,208)	
Relief of debt income	-	110,571	364,939	150,571
Income tax expenses	-	-		
Net income (loss)	$ (111,859)	$ (9,606)	$ (78,461)	$ (255,122)
Net loss per common share	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Weighted average common shares outstanding	123,323,434	98,333,434	114,802,259	98,333,434

(The notes are an integral part of this financial statement.)

CANNAGROW HOLDINGS, INC.
CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' DEFICIT
FROM DECEMBER 31, 2011 To SEPTEMBER 30, 2014
(Restated for a 1 for 17,000 reverse split effective 2-21-2012)
(Unaudited)

	Preferred stock		Common Stock		Additional Paid-in	Retained
	Shares	Amount	Shares	Amount	Capital	Deficit
Balance at December 31, 2011	52,134,500	$ 52,135	1,061,790	$ 1,062	$ 6,945,537	$ (9,943,498)
Conversion of note for common stock			400,000	400	10,600	
Conversion of note-related party for common stock			68,765,585	68,766	111,395	
Stock issued for services			2,856,059	2,856	51,313	
Stock issued pursuant to Reg D 504			250,000	250	12,250	
Stock issued for License			25,000,000	25,000	225,000	
Net income for the period ended December 31, 2012						(221,938)
Balance at December 31, 2012	52,134,500	$ 52,135	98,333,434	$ 98,333	$ 7,356,095	$ (10,165,436)
Net income for the period ended December 31, 2013						(337,400)
Balance at December 31, 2013	52,134,500	$ 52,135	98,333,434	$ 98,333	$ 7,356,095	$ (10,502,836)
Conversion of note for common stock			21,240,000	21,240	176,460	
Stock issued for services			7,500,000	7,500	7,500	
Net income for the period ended September 30, 2014						(78,461)
Balance at September 30, 2014	52,134,500	$ 52,135	127,073,434	$ 127,073	$ 7,540,055	$ (10,581,297)

(The notes are an integral part of this financial statement.)

CANNAGROW HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Nine Months Ended	
	September 30, 2014	September 30, 2013
Cash flows from operating activities:		
Net income (Loss)	$ (78,461)	$ (255,122)
Adjustment to reconcile net loss to cash used in operations:		
Stock issued to pay expenses	15,000	
Depreciation	-	341
Relief of debt income	(286,960)	(150,571)
Note receivable written off	139,208	-
Write off of obsolete inventory	-	55,000
Change in operation accounts:		
Accounts payable and accrued expenses	72,935	18,370
Inventory	1,500	25,398
Deposits	(3,100)	11,527
Notes receivable	-	(6,183)
Prepaid expenses	(1,050)	-
Note payable related party	82,000	130,622
	(58,928)	(170,618)
Cash flows from investing activities:		
Purchase assets	-	-
Sale assets	-	-
	-	-
Cash flows from financing activities:		
Proceeds from loans - related party	5,911	6,141
Proceeds from loans (net)	52,500	143,800
	58,411	149,941
Increase (decrease) in cash	(517)	(20,677)
Cash - Beginning of the year	4,375	27,902
Cash - End of the Period	$ 3,858	$ 7,225

(The notes are an integral part of this financial statement.)

NOTE A – SUMMARY OF ACCOUNTING POLICIES

General

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America.

In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. The results from operations for the three months and nine-months ended September 30, 2014, are not necessarily indicative of the results that may be expected for the year-ended December 31, 2014.

A summary of the significant accounting policies applied in the preparation of the accompanying financial statement follows.

The consolidated financial statements include a company which is effectively controlled directly by the Parent, where control is defined as the power to govern the financial operation policies. This control is generally evidenced when the company directly or indirectly owns more than 50% of the voting rights of the company's share capital. Significant intercompany transactions have been eliminated in consolidation.

In May of 2006, the Company's parent, Green Endeavors LTD., formerly Net2Auction, Inc., at the time of the transaction, purchased 50,000 shares (50,000,000 shares prior to the pre-reverse stock split on June 27, 2006) to gain a 50.02% ownership of BizAuctions, Inc. On June 27, 2006, the Company had a reverse stock split whereby each shareholder received 1 share for each 1,000 shares owned. On June 28, 2006, the former parent company, Green Endeavors LTD., at the time of the transaction, acquired 50,000,000 post reverse split shares to gain a 99.9% ownership of the Company's outstanding common stock. In this transaction, the Company acquired 100% of BizAuctions, Corp. from its parent. This transaction was valued at $154,400 or $0.003 per share.

As of September 30, 2014, and December 31, 2013, Delmar Janovec and Brent Crouch, controlled approximately 0.53% and 0.69%, respectively, of the outstanding common stock of the Company. Upon conversion of the Series A and Series D Preferred stock would give Delmar Janovec and Brent Crouch approximately 92% and 93% voting control of the Company.

On August 17, 2006, a forward stock split was affected whereby each shareholder of record received 2 shares of common stock for each share owned.

Business and Basis of Presentation

CannaGrow Holdings, Inc. was formed as a Delaware Corporation on May 5, 1995 as Topper's Brick Oven Pizza, Inc. Since the inception of the Company there have been four (4) subsequent name changes to its current name.

CannaGrow Holdings changed its business model during the spring of 2014 and has entered into the Medical and Recreational Marijuana industry in the State of Colorado as a Lessor, Liaison, and consultant to licensed growers and operators.

NOTE A – SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Business and Basis of Presentation-(Continued)

The “Turn-Key” Growing Facilities are “Built to Suit” state-of-the-art facilities to an exact specifications under the guidance of Management and Consultants that have been enlisted to oversee our expansion into the Medial and Recreational Marijuana Industry whereby providing expert oversight into this industry. The Company intends to expand this business model within this industry as the business opportunities evolve.

CannaGrow Holdings, Inc. does not and will not, until such time as Federal law allows, grow, harvest, distribute or sell marijuana or any substance that violate the laws of the United States of America.

The Company operates out of its office in Centennial, Co., and has two (2) full time employees and one (1) part-time employee at the end of this reporting quarter.

Revenues for the quarter ending September 30, 2014, have decreased to $5,000. The decrease in revenues is due to the Company changing the emphasis of operations from retail sales to consulting and Lessor services.

Cash and Cash Equivalents

For the purposes of the Statements of Cash Flows, the company considers all highly liquid debt instruments purchased with a maturity date of three months or less to be cash equivalents.

Income Taxes

The Company has adopted Financial Accounting Standard No. 109, (SFAS 109), which requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statement or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Temporary differences between taxable income reported for financial reporting purposes and income tax purposes are insignificant.

Net Loss per Common Share

The Company computes earnings per share under Financial Accounting Standard No. 128, "Earnings Per Share" (SFAS 128). Net loss per common share is computed by dividing net loss by the weighted average number of shares of common stock and dilutive common stock equivalents outstanding during the year.
Dilutive common stock equivalents consist of shares issuable upon conversion of convertible preferred shares. During the nine months ended September 30, 2013, and year-ended December 31, 2012, common stock equivalents are not considered in the calculation of the weighted average number of common shares outstanding because they would be anti-dilutive, thereby decreasing the net loss per common share.

NOTE A - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly actual results could differ from those estimates.

Revenue Recognition

Revenue for product sales is recognized at the time the product is shipped to or picked up by the customer.

Advertising

The Company follows the policy of charging the costs of advertising to expenses as incurred. For the periods ended September 30, 2014, and December 31, 2013, advertising costs were not material to the statement of income.

Liquidity

As shown in the accompanying financial statements, the Company has incurred a net loss of, ($78,461) and ($255,122), during the nine months ended September 30, 2014, and 2013, respectively. As of September 30, 2014, the Company had working capital deficit of ($3,115,134). In order for the Company to sustain operations, additional working capital must be raised by increases in revenue realizing profitable margins, by the sale of equity securities, advances or loans from its parent company or its affiliates.

Concentrations of Credit Risk

Financial instruments and related items, which potentially subject the Company to concentrations of credit risk, consist primarily of cash, cash equivalents and related party receivables. The Company places its cash and temporary cash investments with credit quality institutions. At times, such investments may be in excess of the FDIC insurance limit.

Stock Based Compensation

In December 2002, the FASB issued SFAS No. 148, "Accounting for Stock-Based Compensation-Transition and Disclosure-an amendment of SFAS 123." This statement amends SFAS No. 123, "Accounting for Stock- Based Compensation," to provide alternative methods of transition for a voluntary change to the fair value based method of accounting for stock-based employee compensation. In addition, this statement amends the disclosure requirements of SFAS No. 123 to require prominent disclosures in both annual and interim financial statements about the method of accounting for stock-based employee compensation and the effect of the method used on reported results. The Company has chosen to continue to account for stock-based compensation using the intrinsic value method prescribed in APB Opinion No. 25 and related interpretations. Accordingly, compensation expense for stock options is measured as the excess, if any, of the fair market value of the Company's stock at the date of the grant over the exercise price of the related option. The Company has adopted the annual disclosure provisions of SFAS No. 148 in its financial reports for the periods ended September 30, 2014, and December 31, 2013, respectively.

NOTE A - SUMMARY OF ACCOUNTING POLICIES (CONTINUED)

Comprehensive Income

Statement of Financial Accounting Standards No. 130, "Reporting Comprehensive Income", (SFAS 130), establishes standards for reporting and display of comprehensive income, its components and accumulated balances. Comprehensive income is defined to include all changes in equity except those resulting from investments by owners and distributions to owners. Among other disclosures, SFAS 130 requires that all items that are required to be recognized under current accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements. The Company adopted SFAS 130 during the periods ended September 30, 2014, and December 31, 2013, and has no items of comprehensive income to report.

Segment Information

Statement of Financial Accounting Standards No. 131, Disclosures about Segments of an Enterprise and Related Information (SFAS 131) establishes standards for reporting information regarding operating segments in annual financial statements and requires selected information for those segments to be presented in interim financial reports issued to stockholders. SFAS 131 also establishes standards for related disclosures about products and services and geographic areas. Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker, or decision-making group, in making decisions to allocate resources and assess performance. The information disclosed herein, materially represents all of the financial information related to the Company's principal operating segment.

Recent Accounting Pronouncements

SFAS No. 168. In June of 2009, the Financial Accounting Standards Board, (“FASB”), issued SFAS No. 168, The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles-replacement of SFAS No. 162. No. 168 established the FASB Accounting Standards Codification as the source of authoritative accounting principles recognized by the FASB to be applied in the preparation of financial statements in conformity with generally accepted accounting principles. No.168 explicitly recognizes rule and interpretive releases of the Securities and Exchange Commission, (SEC), under federal securities laws issued for fiscal years and interim periods ending after September 15, 2009. The Company has adopted SFAS No. 168 and there was no impact on the Company’s consolidated financial statements or results of operations.

SFAS No. 165. In May of 2009, the Financial Accounting Standards Board, (“FASB), issued SFAS No. 165, Subsequent Events No. 165 establishes general standards of accounting for, and requires disclosures of events that occur after the balance sheet date but before the financial statements are issued or available to be issued. SFAS No. 165 is effective for interim or annual financial periods ending after June 15, 2009, and should be applied prospectively. The Company has adopted SFAS 165 and there was no impact on the Company’s consolidated financial statements or results of operations.

NOTE B – ACQUISITION

On June 28, 2006, the Company entered into a stock purchase agreement, ("Agreement"), with Green Endeavors, LTD., formerly Net2Auction, Inc., to acquire a 100% interest in BizAuctions, Corp., and issued to its parent 50,000,000 shares of restricted common stock and 9,000,000 shares of Series A Preferred stock to its former parent Green Endeavors LTD., and 3,000,000 of Series A Preferred stock to its affiliate, AmeriResource Technologies, Inc., for a total of 12,000,000 shares of Series A Preferred stock.

NOTE C – DUE FROM AFFILIATES

Due from affiliate is comprised of balances due from its parent and affiliates. There is no balance due at September 30, 2014.

NOTE D - INVENTORY

Inventory consists of unsold merchandise purchased from retailers and is valued at the lower of cost or market.

NOTE E – NOTES PAYABLE RELATED PARTY

At September 30, 2014, the Company had notes payable to officers in the amount of $235,152. The notes are payable on demand, are non-interest bearing and is convertible into common stock, at the option of the note holder. The note does not have a beneficial conversion feature.

At September 30, 2014, the Company had notes payable to Brent Crouch, a former officer, in the amount of $293,625. The Note is payable on demand with interest of 9% and is convertible into common stock, at the option of the note holder. The note does not have a beneficial conversion feature.

NOTE F – RELATED PARTY TRANSACTIONS

During the calendar year 2012, the Company issued 1,090,910 shares of common restricted stock at $0.037, per share to an officer and director of the Company in exchange for a partial reduction of a note payable in the amount of $40,367.

During the calendar year 2012, the Company issued 508,075 shares of common restricted stock at $0.02, per share, to an officer and director of the Company in exchange for a partial reduction of a note payable, in the amount of $10,162.

During the calendar years 2009 and 2008, the Company issued its parent 60,000,000 shares of common restricted stock and 42,000,000 of Series A Preferred for services rendered and financial guarantees.

During the calendar year 2009, the Company issued 50,000,000 shares of common restricted stock to the officers of the Company for services rendered and financial guarantees.

During the calendar year 2009, the Company issued its parent 10,000,000 shares of Series D Preferred in exchange for the partial reduction of debt in the amount of $179,046 owed to its parent.

NOTE F – RELATED PARTY TRANSACTIONS-(CONTINUED)

During the calendar year 2008, the Company issued 8,000,000 shares of restricted common stock to an officer of the Company for the conversion of debt in the amount of $80,000 that was owed to the officer of the Company.

On June 28, 2006, the Company purchased 100% of Green Endeavors LTD., formerly Net2Auction, Inc.'s subsidiary, BizAuctions, Corp. for the issuance of Fifty (50,000,000) million shares of its common restricted stock. The total value of the transaction was $154,400.

NOTE G – NOTES PAYABLE

The Company entered into a Promissory Note with an investor on September 26, 2014 and in the amount of $10,000. The note is due on September 26, 2016 with an interest rate of 8% and is convertible into common stock upon the note holder's option.

The Company entered into a Promissory Note with an investor on June 26, 2014 and in the amount of $35,000. The note is due on June 26, 2016 with an interest rate of 8% and is convertible into common stock upon the note holder's option.

The Company entered into a Promissory Note with an investor in July and in the amount of $100,000. The note is due on September 27, 2011 with an interest charge of $10,000. The note can be extended at the option of the note holder. (For additional information, see Notes K-Legal of this report.)

The Company entered into a Promissory Note with an investor on April 6, 2011 and in the amount of $25,000. The note is due on April 6, 2013 with an interest rate of 15% and is convertible into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of April 6, 2011.

The Company entered into a Promissory Note with an investor on May 4, 2011 and in the amount of $20,000. The note is due on May 4, 2011 with an interest rate of 15% and is convertible into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of May 4, 2011.

The Company entered into a Promissory Note with an investor on May 24, 2011 and in the amount of $10,000. The note is due on May 24, 2013 with an interest rate of 15% and is convertible into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of May 24, 2011.

The Company entered into a Promissory Note with an investor in January and in the amount of $100,000. The note is due on January 3, 2012 with an interest rate of 15% and can be extended for an additional year upon the note holder's option. (For additional information, see Notes K-Legal of this report.)

The Company entered into a Convertible Promissory Note with an investor on January 27, 2011 and in the amount of $50,000. The note is due on January 27, 2013 with an interest rate of 10% and can be converted into common stock upon the note holder's option.

NOTE G – NOTES PAYABLE-(CONTINUED)

The Company entered into a Promissory Note with an investor in February of 2011, and in the amount of $50,000. The note is due on July 2, 2011 with an interest rate of 15% and can be extended for an additional six months upon the note holder's option.

The Company entered into a Promissory Note with an investor in February of 2011, and in the amount of $50,000. The note is due on July 14, 2011 with an interest rate of 15% and can be extended for an additional six months upon the note holder's option.

The Company entered into a working capital loan with Strategic Funding in October of 2011, and in the amount of $45,000 with an interest charge of $17,505. The loan is to be paid back at the rate of 15% of the total monthly net credit card sales. The loan balance at the end of the period ending June 30, 2014 is $50,304. (For additional information, please see the Company's year-end report December 31, 2013.)

The Company entered into a Convertible Promissory Note with an investor on December 15, 2010 and in the amount of $25,000. The note is due on December 15, 2012 with an interest rate of 10% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor on December 8, 2010 and in the amount of $50,000. The note is due on December 8, 2012 with an interest rate of 18% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of December 8, 2010.

The Company entered into a Convertible Promissory Note with an investor on December 15, 2010 and in the amount of $50,000. The note is due on December 15, 2012 with an interest rate of 15% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of December 15, 2010.

The Company entered into a Convertible Promissory Note with an investor on December 1, 2010 and in the amount of $25,000. The note is due on December 1, 2012 with an interest rate of 10% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor on November 23, 2010 and in the amount of $25,000. The note is due on November 23, 2012 with an interest rate of 15% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of November 23, 2010.

The Company entered into a Convertible Promissory Note with an investor on November 16, 2010 and in the amount of $50,000. The note is due on November 16, 2012 with an interest rate of 15% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of November 16, 2010.

NOTE G – NOTES PAYABLE-(CONTINUED)

The Company entered into a Promissory Note with an investor on October 21, 2010 and in the amount of $150,000. The note is due on October 21, 2011 with an interest rate of 15% and can be extended for an additional one year upon the note holder's option. (For additional information, see Notes K-Legal of this report.)

The Company entered into a Convertible Promissory Note with an investor on October 12, 2010 and in the amount of $25,000. The note is due on October 12, 2012 with an interest rate of 15% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of October 12, 2010.

The Company entered into a Convertible Promissory Note with an investor on October 14, 2010, and in the amount of $25,000. The note is due on October 14, 2012 with an interest rate of 18% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of October 14, 2010.

The Company entered into a Promissory Note with an investor on September 15, 2010 and in the amount of $150,000. The note is due on September 15, 2011 with an interest rate of 15% and can be extended for an additional one year upon the note holder's option. (For additional information, see Notes K-Legal of this report.)

The Company entered into a Convertible Promissory Note with an investor on September 2, 2010, and in the amount of $10,000. The note is due on September 2, 2012 with an interest rate of 15% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of September 2, 2010.

The Company entered into a Convertible Promissory Note with an investor on August 30, 2010 and in the amount of $25,000. The note is due on August 30, 2012 with an interest rate of 15% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of August 30, 2010.

The Company entered into a Convertible Promissory Note with an investor on August 28, 2010 and in the amount of $10,000. The note is due on August 28, 2012 with an interest rate of 15% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of August 28, 2010.

The Company entered into a Convertible Promissory Note with an investor on August 23, 2010 and in the amount of $30,000. The note is due on August 23, 2012 with an interest rate of 15% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of August 23, 2010.

NOTE G – NOTES PAYABLE-(CONTINUED)

The Company entered into a Convertible Promissory Note with an investor on August 16, 2010, and in the amount of $30,000. The note is due on August 16, 2012 with an interest rate of 15% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of August 16, 2010.

The Company entered into a Convertible Promissory Note with an investor on July 30, 2010 and in the amount of $57,000. The note is due on July 30, 2012 with an interest rate of 15% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of July 30, 2010.

The Company entered into a Convertible Promissory Note with an investor on June 28, 2010, and in the amount of $77,000. The note is due on June 28, 2012 with an interest rate of 18% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of June 28, 2010.

The Company entered into a Convertible Promissory Note with an investor on June 1, 2010, and in the amount of $45,000. The note is due on June 1, 2012 with an interest rate of 18% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of June 1, 2010.

The Company entered into a Convertible Promissory Note with an investor on May 18, 2010, and in the amount of $45,000. The note is due on May 18, 2012 with an interest rate of 18% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of May 18, 2010.

The Company entered into a Convertible Promissory Note with an investor on April 30, 2010, and in the amount of $50,000. The note is due on April 30, 2012 with an interest rate of 15% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of April 30, 2010.

The Company entered into a note with Ford Motor Credit in the amount of $51,164 in April, 2010 for the purchase of a 2010 vehicle with an interest rate of 15%. The note is due on April 28, 2015, and the current balance was $39,133. The Company entered into an agreement with Ford Motor Credit in October of 2012 that allowed for the return of the vehicle and to be sold at auction. If the auction price was not adequate to pay-off the existing loan amount due, the Company would be responsible for the balanced owed.

The Company entered into a Convertible Promissory Note with an investor on April 1, 2010, and in the amount of $75,000. The note is due on April 1, 2012 with an interest rate of 10% and can be converted into common stock upon the note holder's option.

The Company entered into a Convertible Promissory Note with an investor on March 30, 2010, and in the amount of $50,000. The note is due on March 30, 2012 with an interest rate of 18% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of March 30, 2010.

NOTE G – NOTES PAYABLE-(CONTINUED)

The Company entered into a Convertible Promissory Note with an investor on March 4, 2010, and in the amount of $60,000. The note is due on March 4, 2012 with an interest rate of 18% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of March 4, 2010.

The Company entered into a Convertible Promissory Note with an investor on February 1, 2010, and in the amount of $75,000. The note is due on February 1, 2012 with an interest rate of 18% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of February 1, 2010.

The Company entered into a Convertible Promissory Note with an investor on December 30, 2009 and in the amount of $75,000. The note is due on December 30, 2011 with an interest rate of 18% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of December 30, 2009.

The Company entered into a Convertible Promissory Note with an investor on December 17, 2009 and in the amount of $50,000. The note is due on December 17, 2011 with an interest rate of 18% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of December 17, 2009.

The Company entered into a Convertible Promissory Note with an investor on December 3, 2009 and in the amount of $110,000. The note is due on December 3, 2011 with an interest rate of 18% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of December 3, 2009.

The Company entered into a Convertible Promissory Note with an investor on November 2, 2009 and in the amount of $50,000. The note is due on November 2, 2011 with an interest rate of 18% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of November 2, 2009.

The Company entered into a Convertible Promissory Note with an investor on November 23, 2009 and in the amount of $20,000. The note is due on November 23, 2011 with an interest rate of 18% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of November 23, 2009.

The Company entered into a Convertible Promissory Note with an investor on November 15, 2009 and in the amount of $16,000. The note is due on November 15, 2011 with an interest rate of 10% and can be converted into common stock upon the note holder's option.

NOTE G – NOTES PAYABLE-(CONTINUED)

The Company entered into a Convertible Promissory Note with an investor on October 21, 2009 and in the amount of $10,000. The note is due on October 21, 2011 with an interest rate of 15% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of October 21, 2009.

The Company entered into a Convertible Promissory Note with an investor on October 9, 2009 and in the amount of $25,000. The note is due on October 9, 2011 with an interest rate of 15% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of October 9, 2009.

The Company entered into a Convertible Promissory Note with an investor on October 5, 2009 and in the amount of $15,000. The note is due on October 5, 2011 with an interest rate of 15% and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of October 5, 2009.

The Company entered into a Convertible Promissory Note with an investor on July 24, 2009 and in the amount of $10,000. The note is due on July 24, 2011 with 15% interest and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of July 24, 2009.

The Company entered into a Convertible Promissory Note with an investor on July 23, 2009 and in the amount of $20,000. The note is due on July 23, 2011 with 15% interest and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of July 23, 2009.

The Company entered into a Convertible Promissory Note with an investor in May 29, 2009 and in the amount of $5,000. The note is due on May 29, 2012 with 15% interest and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of May 29, 2009.

The Company entered into a Convertible Promissory Note with an investor on May 22, 2009 and in the amount of $5,000. The note is due on May 22, 2011 with 15% interest and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of May 22, 2009.

The Company entered into a Convertible Promissory Note with an investor on May 11, 2009 and in the amount of $8,850. The note is due on May 11, 2011 with 15% interest and can be converted into common stock upon the note holder's option. The Company and the note holder have negotiated new terms with interest adjusted to reflect a rate of 8% that is retroactive to the original effective date of May 11, 2009.

NOTE G – NOTES PAYABLE-(CONTINUED)

The Company borrowed $125,000 from an investor on June 28, 2006, through a Convertible Promissory Note. The note which bears interest at the rate of 10% is convertible into common stock of the Company at a ratio of $0.01 per share. The note plus accrued interest may be converted into common stock at the option of the note holder after the maturity date of June 28, 2008. No interest or principal payments are due prior to the maturity date. An officer of the Company is liable as a co-signer on the note. The note will be converted into Twelve Million Five Hundred Thousand (12,500,000) shares of restricted common stock.

NOTE H – NOTE RECEIVABLE

The Company made a loan on August 10, 2007 and in the amount of $10,000 to Candwich, Inc. The note has been extended since the initial due date of October 10, 2007, and is due on December 31, 2014.

The Company made a loan during 2012 to a business associate, Guy Deiro, in the amount of $6,183. The note is due and payable at the time of this reporting period.

NOTE I – SHAREHOLDERS' DEFICIT

Preferred Stock:

The Company is authorized to issue 150,000,000 shares with 100,000,000 of Series A Preferred stock, 5,000,000 shares of Series B Preferred stock, 20,000,000 shares of Series C Preferred stock, and 25,000,000 shares of Series D Preferred stock.

The Series A Preferred stock is convertible at the option of the holder into common stock at the rate of 10 shares of common for every one share of Series A Preferred after one year from the date of issue. Each share of Series A Preferred stock has voting rights equal to 10 shares of common stock.

The Series B Preferred stock is convertible at the option of the holder into common stock at the rate of 1 share of common for each share of Series B after one year from the date of issue. Each share of Series B Preferred stock has voting rights equal to 1 share of common stock.

The Series C Preferred stock has a stated conversion value of $5.00, per share, upon conversion to common stock. Each share of Series C Preferred stock has voting rights equal to five shares of common stock.

The Series D Preferred stock has a stated conversion value of $2.00 divided by 50% of the average closing price of the Common Stock on five business days preceding the date of conversion. Each share of the Series D Preferred stock has voting rights equal to the conversion factor at the time of conversion.

As of September 30, 2014, and September 30, 2013, respectively, the Company had 42,000,000 and 42,000,000 shares of Series A preferred stock outstanding, 0 and 0 shares of Series B preferred stock outstanding, 134,500 and 134,500 shares of Series C preferred stock outstanding, 10,000,000 and 10,000,000 shares of Series D preferred stock outstanding.

Preferred Stock issued during the period ended September 30, 2014.

During the quarter, there were zero shares of Preferred stock issued.

NOTE I – SHAREHOLDERS' DEFICIT-(CONTINUED)

Common Stock:

The Company is authorized to issue 2,000,000,000 shares of common stock with a par value of $.001 per share. As of September 30, 2014, and December 31, 2013, the Company has issued and has outstanding 127,073,434 and 98,334,434, shares of common stock.

Issuances of common stock during the quarter ended, September, 30, 2014:

During the quarter, the Company issued 5,000,000 shares of common stock at par value, $0.001, per share, to a consultant for services rendered and to be rendered on an on-going basis during the calendar year.

During the quarter, the Company issued 2,500,000 shares of common stock at par value, $0.001, per share, to a consultant for services rendered and to be rendered on an on-going basis during the calendar year.

During the 1st and 2nd quarters of calendar year 2014:

During the 2nd Quarter, the Company issued 6,440,000 shares of common stock for the partial conversion of a note payable at $0.01, per share.

During the 2nd Quarter, the Company issued 9,800,000 shares of common stock for the partial conversion of a note payable at $0.0085, per share.

During the 2nd Quarter, the Company issued 5,000,000 shares of common stock for the partial conversion of a note payable at $0.01, per share.

Issuances of common stock during the calendar year, 2013:

There were no issuances of common stock during the calendar year.

Issuances of common stock during the calendar year, 2012:

During the calendar year, the Company issued 200,000 shares of common stock for the partial conversion of a note payable at $0.037, per share.

During the calendar year, the Company issued 200,000 shares of common stock for the partial conversion of note payable at $0.017, per share.

During the calendar year, the Company issued 500,000 shares of common restricted stock at $0.02, per share, to a consultant and former officer of the Company in exchange for a partial reduction of note payable, in the amount of $10,000.

During the calendar year, the Company issued 508,075 shares of common restricted stock at $0.02, per share, to an officer of the Company in exchange for a partial reduction of a note payable, in the amount of $10,162.

During the calendar year, the Company issued 439,393 shares of common restricted stock for consulting services rendered at a value of $29,561.

NOTE I – SHAREHOLDERS' DEFICIT-(CONTINUED)

During the calendar year, the Company issued 250,000 shares of common stock to an accredited investor for the purchase price of $12,500.00 under Regulation D-504.

During the calendar year, the Company issued 1,090,910 shares of restricted common stock at $0.37, per share, to an officer of the Company in exchange for a partial reduction of a note payable, in the amount of $40,367.

During the calendar year, the Company issued 2,416,666 shares of restricted common stock at $.01, per share, for consulting services rendered at a value of $24,166.

During the calendar year, the Company issued 25,000,000 shares of restricted common stock, at $.02 cents per share, to Mark Kirkland for the vending distribution rights for the Candwich technology and products for the states of California and Nevada.

During the calendar year, the Company issued 33,333,300 shares of restricted common stock, at $0.015, per share, to a consultant and former officer of the Company, in exchange for a partial reduction of a note payable, in the amount of $49,999.

During the calendar year, the Company issued 33,333,300 shares of restricted common stock, at $0.015, share, to an officer of the Company, in exchange for a partial reduction of a note payable in the amount of $49,999.

(For additional information, please see Note L-Subsequent Events of this report.)

NOTE J– COMMITMENTS AND CONTINGENCIES

The Company entered into a Lease Agreement, ("Lease"), with the Jason N. Duncan Insurance Agency, (the "Lessor") on July 2, 2014 for office space located at 12835 E. Arapahoe Rd., Tower II, Suite 800, Centennial, Colorado, 80112. The office space governed by the Lease consists of approximately 200 sq. ft. The Lease is for a twelve (12) month period that can be extended for an additional twelve (12) months at the following sq. ft. prices;

Base Year:
12835 E. Arapahoe Rd., Tower II, Suite 800, Centennial, Co. 80112-July 2, 2014 through July 1, 2015, $500.00, per month.

The Company had previously shared office space with its Affiliates located at 3440 E. Russell Rd., Suite 206, Las Vegas, Nevada 89120. The lease is on a month-to-month basis and at a rate of $400.00, per month.

The Leases were guaranteed by Delmar Janovec.

Rent expense totaled $3,316 during the periods ended September 30, 2014.

(For additional information, please see Note L-Subsequent Events of this report.)

NOTE K-LEGAL

Kenneth J. Sullivan Family Trust, vs. BizAuctions, Inc., a Delaware corporation, BizAuctions Corp., a Nevada corporation, Lucky 7's, Inc., a Nevada Corporation, and Delmar Janovec, an individual. The complaint was filed on July 27, 2012 in the District Court, Clark County, Nevada, Case No. A-12-665844-B. The complaint is for breach of fiduciary duty for Lucky 7's, misappropriation, conversion and waste of corporation assets, unjust enrichment, misrepresentation and fraud, and attorney fees.

Kenneth J. Sullivan Family Trust, vs. BizAuctions, Inc., a Delaware corporation, BizAuctions Corp., a Nevada corporation, and Delmar Janovec, an individual. The complaint was filed on August 21, 2012 in the District Court, Clark County, Nevada, Case No. A-12-667160-C. The complaint is for breach of promissory note contracts, breach of implied covenant of good faith and fair dealing, unjust enrichment, misrepresentation and fraud, and attorney fees.

The Companies and Delmar Janovec entered into a Forbearance Agreement and Stock Transfer Agreement with the Plaintiffs on September 25, 2012 for a period of ninety-seven (97) days or until December 31, 2012 that requires payments in the amount of $3,000.00 due on October 15th, November 15, and December 15, 2012. All payments were made pursuant to the terms of the Forbearance Agreement.

The Stock Transfer Agreement required Delmar Janovec to transfer 799,861 shares of his personal BizAuctions common restricted stock to the Plaintiffs that was completed on October 1, 2012.

The Companies and Delmar Janovec entered into an Extension of the Forbearance Agreement with the Plaintiffs, Kenneth J. Sullivan Family Trust, on February 11, 2013, effective from February 1 through September 30, 2013, at the time of the filing of the 3rd Qtr. report for September 30, 2013, payments had been made pursuant to the terms of the Forbearance Agreement

The Company and the Plaintiffs through their counsels entered into preliminary discussions for a settlement of these complaints in January of 2014 with on-going discussions for settlement, and while the Court proceedings are moving forward in Clark County.

AJW Offshore, LTD., et al., vs. Debtors in Foreign Proceedings. United States Bankruptcy Court of Eastern New York, Chapter 15, Case No. 13-70078, 13-70082, 13-70085, 13-70087, Jointly Administered, filed on October 3, 2013, subpoenas were issued on October 23, 2013, to Issuer Parties, Third Party Marketers, Structuring Parties, and Sadis & Goldberg, LLC, to produce documents and witnesses, pursuant to the subpoena, which included the Company. The Bankruptcy Court and the Court Appointed Joint Administrators, REID COLLINS & TSAI, LLP, a law firm, is seeking repayment of loans made to the debtors, and fees paid to the debtors, if any, for services provided to NIR Group, Inc., the Parent or Affiliate of AJW Offshore, LTD.,

AJW Master, Fund Ltd., AJW Offshore II, Ltd., AJW Master Fund II, Ltd., (Collectively the "Offshore Funds). The loans were made to AmeriResource Technologies, Inc., a parent or an affiliate, of BizAuctions, Inc., with the subsidiaries as co-guarantors of the convertible loans made in December of 2008, in the amount of $150,000.00, and a second loan in April of 2009, for an additional amount of $150,000.00. The total amount of the convertible loans was $300,000.00. In addition to the loans, there were debt assumption agreements entered into by AmeriResource and affiliates, which were to assume debts originating from Midnight Holdings Group, Inc. In exchange for assuming the debts AmeriResource and Affiliates were to be issued Convertible Preferred Stock of Midnight Holdings Group, Inc. equaling the amount of the assumed debt that was owed by Midnight Holdings Group, Inc. to NIR Group, Inc. and/or Affiliates. These debts

NOTE K-LEGAL-(CONTINUED)

originated as loans that had been made to Midnight Holdings, Group, Inc. or Affiliates, prior to the calendar year of 2008. The Company signed a Debt Assumption Agreement with Midnight Holdings Group, Inc., and NIR Group, Inc., or Affiliates for the assumption of debt in the amount of $2,710,320.11.

The consideration for the debt assumption by the Company was the issuance of Midnight Holdings Group, Inc., Preferred Series Class A stock, equaling the amount of the debt to be assumed, and various financing commitments made by NIR Group, Inc., or Affiliates, and Midnight Holdings Group, Inc.

The Company has not received the Preferred Series Class A stock from Midnight Holdings Group, Inc. nor received any of the financing commitments made by NIR Group, Inc. or Affiliates in conjunction with the Debt Assumption Agreements. These material terms and major points were not fulfilled by NIR Group, Inc. and Affiliates or Midnight Holdings Group, Inc. Accordingly; the Company rescinded all agreements in calendar year 2009.

(For additional information, see the Company's year-end report for December 31, 2013, filed with the OTC Markets, at www.otcmarkets.com)

NOTE L-SUBSEQUENT EVENTS

The Company filed to amend its articles of incorporation with the State of Delaware on November 5, 2014, whereby amending its articles of incorporation after receiving consent by more than 70% of the shareholders of the Company, to reduce the authorized common stock from Two Billion, (2,000,000,000), to Five Hundred Million, (500,000,000) shares and the Preferred Shares remaining at One Hundred Fifty Million, (150,000,000), shares with an effective date of December 1, 2014. Shareholders of record as of November 2, 2014, were given notice of this corporate action by regular mail. The Company was not required to file a Notice of Corporate Action with FINRA for this corporate action.

The Company, Mark Kirkland, and Mark One Foods agreed to rescind a Licensing Agreement on October 30, 2014 for the rights to utilize the Candwich-in-a-can patent process and the return of Twenty-five Million shares of restricted common stock to the Company's treasury.

The Company filed with FINRA for a Notice of Corporate Action on or about October 17, 2014, whereby the Company amended its articles of incorporation with the State of Delaware on October 2, 2014, after receiving consent by more than 70% of the shareholders of the Company, to change the corporate name of the Company to CannaGrow Holdings, Inc., with an effective date for the name change of November 1, 2014. Shareholders of record as of October 2, 2014, were given notice of this corporate action by regular mail. The Company received final approval from FINRA on November 5, 2014 for the name change and a new CUSIP number from CUSIP.

The Company entered into a Facility and Land Lease with NuGro Industries, Inc., (the Landlord or Lessor), for the lease of a Head-house in the approximate size of 2,500 sq. ft., a state of the art Nexus Greenhouse in the approximate size from 2,500 to 5,000 sq. ft., and six, (6), Hoop houses in the approximate size of 1,900 sq. ft. for each house, on twenty, (20), acres of land with an option for additional fifteen, (15) acres, and with all site developments for the land to be completed by the Lessor. The Lease is for Five, (5), years with an optional Four, (4), Two, (2) years leases or until 2029. The Lease begins on October 1, 2014 with the first six, (6), months to be accrued, paid proportionately over the Base Years, and at the following monthly rates;

NOTE L-SUBSEQUENT EVENTS

Base Years:

October 1, 2014 to September 30, 2015 is, $20,000.00
October 1, 2015 to September 30, 2016 is, $22,500.00
October 1, 2016 to September 30, 2017 is, $25,000.00
October 1, 2017 to September 30, 2018 is, $27,500.00
October 1, 2018 to September 30, 2019 is, $30,000.00

Option Years:

October 1, 2019 to September 30, 2021 is, $32,500.00
October 1, 2021 to September 30, 2023 is, $35,000.00
October 1, 2023 to September 30, 2025 is, $37,500.00
October 1, 2025 to September 30, 2027 is, $40,000.00

NOTE M-OTHER MATTERS

As reported in the Disclosure Statement for 2013, Delmar Janovec, President of the Company, and Brent Crouch, a former officer of the Company, acquired Forty-two Million, (42,000,000), shares of BizAuctions convertible Preferred Series A stock, and Ten Million, (10,000,000), shares of Convertible Preferred Series D stock from BizAuctions former parent, AmeriResource Technologies, Inc. Mr. Janovec and Mr. Crouch exchanged debt that AmeriResource owed to each of them in the amounts of Two Hundred Thousand, ($200,000.00), dollars for a total of Four Hundred Thousand, ($400,000.00), for all of the BizAuction Preferred Series stock owned AmeriResource Technologies, Inc.

NOTE N - INCOME TAXES

The Company has adopted Financial Accounting Standard No. 109 which requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statement or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between financial statements and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Temporary differences between taxable income reported for financial reporting purposes and income tax purposes are insignificant.

At September 30, 2014, the Company has available for federal income tax purposes a net operating loss carry-forward of approximately $10,000,000, beginning to expire in the year 2015, that may be used to offset future taxable income. The Company has provided a valuation reserve against the full amount of the net operating loss benefit, since in the opinion of management based upon the profit status of the Company, the tax benefits will not be recognized until income is realized. Due to any significant changes in the Company's ownership, the future use of its existing net operating losses may be limited.

Components of deferred tax assets as of September 30, 2014 are as follows:

Non Current:	
Net operating loss carry forward	$ 3,400,000
Valuation allowance	(3,400,000)

Net deferred tax asset	$ --
	======

NOTE O - GOING CONCERN

The accompanying consolidated statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the financial statements during the nine (9) months ended September 30, 2014, the Company incurred losses from operations of ($78,461) and has not obtained profitable operation under its current operating plan. This may indicate that the Company will be unable to continue as a going concern for a reasonable period of time.

The Company's existence is dependent upon advances from its parent and affiliates, and the sale of additional investment stock, and management's ability to develop profitable operations. Management anticipates the Company will attain profitable status and improve its liquidity through the continued developing, marketing, and selling of its products, and additional equity investments in the Company. The accompanying financial statements do not include any adjustments that might result should the Company be unable to continue as a going concern. In order to improve the Company's liquidity, the Company is actively pursuing additional equity financing through discussions with investment bankers and private investors. There can be no assurance the Company will be successful in its effort to secure additional equity financing. If operations and cash flows continue to improve through these efforts, management believes that the Company can continue to operate and achieve profitability. However, no assurance can be given that management's actions will result in profitable operations or the resolution of its liquidity problems.