



Quarterly Report
for
CHOOSE RAIN, INC.

f/k/a RESOLVE STAFFING, INC.

FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JUNE 30 AND MARCH 31, 2014

(UNAUDITED)



1230 N Us Hwy 1, Suite 16, Ormond Beach, FL 32174 OTC-PK: CHOS



CHOOSE RAIN, INC.

f/k/a RESOLVE STAFFING, INC.

FINANCIAL STATEMENTS

FOR THE THREE MONTHS ENDED JUNE 30 AND MARCH 31, 2014

(UNAUDITED)

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CHOOSE RAIN, INC.

Statement of Operations For the Three Months Ended June 30 and March 31, 2014 (Unaudited)

	Three Months Ended June 30, 2014	Three Months Ended March 31, 2014
Revenues		
Sales	\$ 467	2,730
Cost of sales	422	1,930
Gross profit	45	800
Operating expenses		
Selling, general and administrative expenses	34,915	36,648
Total Operating Expenses	34,915	36,648
Income (loss) from operation	(34,870)	(35,848)
Other income (expenses)		
Gain on debt forgiveness and settlement	974,344	10,021
Interest expense	(5,689)	(14,923)
Total other (expenses)	968,655	(4,902)
Income (loss) before income taxes	933,785	(40,750)
Income taxes	-	-
Net income (loss)	\$ 933,785	\$ (40,750)
Earnings per common share		
Basic	**	**
Dilutive	**	**
Weighted average common shares outstanding		
Basic	346,317,434	182,404,531
Dilutive	359,697,928	214,896,198

** Less than \$.01

The accompanying notes are an integral part of the financial statements



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CHOOSE RAIN, INC.

Balance Sheet
As of June 30 and March 31, 2014
(Unaudited)

ASSETS		
	<u>June 30</u>	<u>March 31</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 54	\$ 1,139
Accounts Receivable	0	144
Inventory	4,230	10,705
Deposit on Equipment	250,000	257,111
Note receivable	15,049	14,864
Note receivable - related party	20,375	20,123
Other Current Assets	53,276	46,163
TOTAL CURRENT ASSETS	<u>342,984</u>	<u>350,249</u>
PROPERTY & EQUIPMENT		
Equipment	48,586	48,586
Accumulated Depreciation	(7,461)	(5,426)
NET PROPERTY AND EQUIPMENT	<u>41,125</u>	<u>43,160</u>
OTHER ASSETS		
Other Assets	2,976	2,976
TOTAL OTHER ASSETS	<u>2,976</u>	<u>2,976</u>
TOTAL ASSETS	<u><u>\$ 387,085</u></u>	<u><u>\$ 396,385</u></u>
LIABILITIES AND STOCKHOLDERS' (DEFICIT) / EQUITY		
CURRENT LIABILITIES		
Accounts Payable	\$ 69,839	\$ 55,504
Due to Employees	27,238	20,940
Convertible notes payable - current portion	48,842	49,461
Judgment payable	0	989,826
Accrued interest payable	0	97
Other Current Liabilities	9,220	2,221
TOTAL CURRENT LIABILITIES	<u>155,139</u>	<u>1,118,049</u>
LONG-TERM LIABILITIES		
Convertible notes payable	25,944	25,444
TOTAL LONG-TERM LIABILITIES	<u>25,944</u>	<u>25,444</u>
TOTAL LIABILITIES	<u>181,083</u>	<u>1,143,493</u>
STOCKHOLDERS' (DEFICIT) / EQUITY		
Preferred stock, \$0.001 par value, 200,000 authorized, none outstanding as of June 30 and March 31, 2014	-	-
Common stock, \$0.001 par value, 500,000,000 shares authorized, 359,813,313 shares issued and outstanding as June 30 and 345,238,313 shares issued and outstanding as of March 31, 2014	359,813	345,238
Additional paid in captial	(727,941)	(732,691)
Retained earnings (deficit)	574,130	(359,655)
TOTAL STOCKHOLDERS' (DEFICIT) / EQUITY	<u>206,002</u>	<u>(747,108)</u>
TOTAL LIABILITIES AND STOCKHOLDERS' (DEFICIT) / EQUITY	<u><u>\$ 387,085</u></u>	<u><u>\$ 396,385</u></u>

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



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CHOOSE RAIN, INC.

Statement of Stockholders' Equity (Deficit) For the Three Months Ended June 30 and March 31, 2014 (Unaudited)

	Preferred Stock \$0.001 par value		Common Stock \$0.001 par value		Additional Paid in Capital	Retained Earnings (Deficit)	Total Stockholders' (Deficit)
	Shares	Amount	Shares	Amount			
Balance, December 31, 2013	-	\$ -	112,230,000	\$ 112,230	\$ -	\$(318,905)	\$(206,675)
Reorganization due to reverse merger	-	-	200,308,313	200,308	(792,727)	-	(592,419)
Stock issued for notes conversion	-	-	32,700,000	32,700	(32,700)	-	-
Shareholders contribution	-	-	-	-	92,736	-	92,736
Net (loss)	-	-	-	-		(40,750)	(40,750)
Balance, March 31, 2014	-	\$ -	345,238,313	\$ 345,238	\$(732,691)	\$(359,655)	\$(747,108)
Stock issued for notes conversion	-	-	14,325,000	14,325	-	-	14,325
Shareholders contribution	-	-	250,000	250	4,750	-	5,000
Net Profit	-	-	-	-		933,785	933,785
Balance, June 30, 2014	-	\$ -	359,813,313	\$ 359,813	\$(727,941)	\$ 574,130	\$ 206,002

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



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CHOOSE RAIN, INC.

Statements of Cash Flows For the Three Months Ended June 30 and March 31, 2014 (Unaudited)

	Three Months Ended June 30, 2014	Three Months Ended March 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	\$ 933,785	\$ (40,750)
Adjustments to reconcile net income (loss) to net cash (used in) operating activities:		
Depreciation	2,035	2,034
Gain on debt forgiveness and settlement	(974,344)	(10,021)
Changes in operating assets and liabilities:		
Accounts Receivable	144	256
Inventory	6,475	2,536
Deposit	7,111	(28,800)
Other Assets	-7,550	(19,153)
Accounts Payable	14,335	9,206
Due to Employees	6,297	15,704
Accrued interest payable	5,627	9,080
NET CASH (USED IN) OPERATING ACTIVITIES	(6,085)	(59,908)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipments	-	(33,415)
Note receivable - related party	-	(34,987)
NET CASH PROVIDED BY (USED IN) INVESTING ACT	-	(68,402)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Contribution to additional paid in capital	4,750	92,736
Issuance of common Stock	250	
Proceeds from convertible notes payable	-	31,080
NET CASH PROVIDED BY (USED IN) FINANCING ACT	5,000	123,816
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALE	(1,085)	(4,494)
CASH AND CASH EQUIVALENTS:		
Beginning of period	1,139	5,633
End of period	\$ 54	\$ 1,139
Supplemental disclosure of cash flow information:		
Cash paid for income taxes	\$ -	\$ -
Cash paid for interest	\$ -	\$ -

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



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CHOOSE RAIN, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30 and MARCH 31, 2014

NOTE—1 ORGANIZATION AND BUSINESS BACKGROUND

Choose Rain, Inc. F/K/A Resolve Staffing Inc. (the “Company”) was incorporated in the State of Nevada in 1998 in name of Columbialum Ltd. On January 22, 2002, the Company changed its corporate name to Columbialum Staffing Inc., which was subsequently changed to Resolve Staffing Inc. on May 29, 2002. The Company was administratively abandoned and reinstated in August 2010 through a court appointed guardian - custodian. In November 2013, the Company filed another reinstatement with the Secretary of State of Nevada to bring its status current with the State and subsequently changed its corporate name to Choose Rain Inc. The Company’s common shares are quoted on the “Pink Sheets” quotation market under the symbol “CHOS”.

On March 7, 2014, the Company completed an Agreement and Plan of Merger with Choose Rain LLC, a limited liability company organized under the laws of the State of Florida (“Choose Rain LLC”), pursuant to which each unit of membership interest of Choose Rain LLC (“Member Interests”) issued and outstanding immediately prior to the Closing was exchanged for and converted (without the surrender of certificates therefor or any other action) into 90,000 fully-paid and non-assessable shares of common stock, par value \$0.001 per share, of the Company (the “Common Stock”), or total 112,230,000 shares of Common Stock of the Company, with the same rights, powers and privileges as the Common Stock and all Member Interests shall be cancelled and retired and shall cease to exist. As a result, Choose Rain LLC merged with and into the Company, whereupon the separate existence of Choose Rain LLC ceased to exist. The Company was the surviving corporation (the “Surviving Corporation”) in the Merger and shall continue to be governed by the laws of the State of Nevada.

The transaction has been accounted for as a reverse acquisition and recapitalization of the Company whereby Choose Rain LLC is deemed to be the accounting acquirer (legal acquiree) and the Company to be the accounting acquiree (legal acquirer). The accompanying financial statements are in substance those of the Company and Choose Rain LLC, with the assets, liabilities, revenues and expenses, of the Company being included effective from the date of transaction. Accordingly, the financial position, results of operations, and cash flows of the accounting acquirer are included for all periods presented as if the recapitalization had occurred at the beginning of the earliest period presented and the operations of the accounting acquiree are included from the date of stock exchange transaction.

The Company’s current mission is to develop and sell sustainable products. The original product concept was rainwater captured, filtered and processed using ultraviolet light and ozone. It is then magnetized then bottled in a PET bottle that does not stay in a landfill nearly as long as other plastic bottles. Other planned items include organic rainwater based drinks, varied drinks in Sachets, Dehydrated Sachet Fruits & Vegetables, Organic Snacks, Hydroponics, Aeroponics, Aquaponics and other sustainable agriculture products. To this end, Company has endeavored to solicit and queue up several distinctive, green initiatives in the United States and in the Caribbean which Company intends to bring to market over the course of 2014 and 2015.

NOTE—2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation - The accompanying financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) under the accrual basis of accounting. The Company has adopted a December 31 year end.



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CHOOSE RAIN, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30 and MARCH 31, 2014

NOTE—2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of estimates - In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the dates of the financial statements, as well as the reported amounts of revenues and expenses during the reporting periods. These accounts and estimates include, but are not limited to, the valuation of accounts receivables, inventories, income taxes and the estimation on useful lives of property, plant and equipment. Actual results could differ from these estimates.

Cash and cash equivalents - The Company considers all highly liquid investments with original maturities of three months or less as cash equivalents. As of June 30, 2014, the Company had no cash or cash equivalent balances in excess of the federally insured amounts. The Company's policy is to invest excess funds in only well capitalized financial institutions.

Fixed assets - Fixed assets are carried at cost. Depreciation is computed using the straight-line method of depreciation over the assets estimated useful lives. Maintenance and repairs are charged to expense as incurred; major renewals and improvements are capitalized. When items of fixed assets are sold or retired, the related cost and accumulated depreciation is removed from the accounts and any gain or loss is included in income.

Fair value for financial assets and financial liabilities - The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and paragraph 820-10-35-37 of the FASB Accounting Standards Codification ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in U.S. GAAP, and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

- | | |
|---------|---|
| Level 1 | Quoted market prices available in active markets for identical assets or liabilities as of the reporting date. |
| Level 2 | Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. |
| Level 3 | Pricing inputs that are generally observable inputs and not corroborated by market data. |

The carrying amounts of the Company's financial assets and liabilities, such as cash and short term notes payable approximate their fair values because of the short maturity of these instruments. The Company does not have any assets or liabilities measured at fair value on a recurring or a non-recurring basis, consequently, the Company did not have any fair value adjustments for assets and liabilities measured at fair value at June 30, 2014 nor gains or losses are reported in the statement of operations that are attributable to the change in unrealized gains or losses relating to those assets and liabilities still held at the reporting date for the period ended June 30, 2014.



CHOOSE RAIN, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30 and MARCH 31, 2014

NOTE—2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net income (loss) per share - Net income (loss) per common share is computed pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. If applicable, diluted earnings per share assume the conversion, exercise or issuance of all common stock instruments such as options, warrants and convertible securities, unless the effect is to reduce a loss or increase earnings per share. Convertible debentures are not considered in the calculations, as the impact of the potential common shares would be to decrease the loss per share. Therefore no diluted loss per share figure is presented.

The Company has not issued any options or warrants or similar securities since inception.

Stock based compensation - The Company recognizes compensation costs to employees under FASB Accounting Standards Codification 718 “*Compensation - Stock Compensation*” (“ASC 718”). Under ASC 718, companies are required to measure the compensation costs of share-based compensation arrangements based on the grant-date fair value and recognize the costs in the financial statements over the period during which employees are required to provide services. Share based compensation arrangements include stock options and warrants. As such, compensation cost is measured on the date of grant at their fair value. Such compensation amounts, if any, are amortized over the respective vesting periods of the option grant.

Equity instruments issued to other than employees are recorded on the basis of the fair value of the instruments, as required by FASB Accounting Standards Codification 505, *Equity Based Payments to Non-Employees*. In general, the measurement date is when either a (a) performance commitment, as defined, is reached or (b) the earlier of (i) the non-employee performance is complete or (ii) the instruments are vested. The measured value related to the instruments is recognized over a period based on the facts and circumstances of each particular grant as defined in the FASB Accounting Standards Codification.

Income taxes - The Company adopts the ASC Topic 740, “*Income Taxes*” regarding accounting for uncertainty in income taxes, which prescribes the recognition threshold, and measurement attributes for financial statement recognition and measurement of tax positions taken or expected to be taken on a tax return. In addition, the guidance requires the determination of whether the benefits of tax positions will be more likely than not sustained upon audit based upon the technical merits of the tax position. For tax positions that are determined to be more likely than not sustained upon audit, a company recognizes the largest amount of benefit that is greater than 50% likely of being realized upon ultimate settlement in the financial statements. For tax positions that are not determined to be more likely than not sustained upon audit, a company does not recognize any portion of the benefit in the financial statements. The guidance provides for de-recognition, classification, penalties and interest, accounting in interim periods and disclosure.

For the period ended June 30, 2014, the Company did not have any interest and penalties associated with tax positions. As of June 30, 2014, the Company did not have any significant unrecognized uncertain tax positions.



CHOOSE RAIN, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30 and MARCH 31, 2014

NOTE—2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income taxes (Continued) - Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of income in the period that includes the enactment date. A valuation allowance is provided for deferred tax assets if it is more likely than not these items will either expire before the Company is able to realize their benefits, or that future deductibility is uncertain.

Dividends - The Company has adopted a policy regarding the payment of dividends. Dividends may be paid to shareholders once all divisions are fully operational and profitable. The Board may also pay dividends to counter any short selling or undermining of the entity.

Related parties - Parties, which can be a corporation or individual, are considered to be related if the Company has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Companies are also considered to be related if they are subject to common control or common significant influence. A material related party transaction has been identified in Note 3 in the financial statements.

Subsequent events - The Company evaluated for subsequent events through the issuance date of the Company's financial statements.

Recently issued accounting standards - The Company has reviewed all recently issued, but not yet effective, accounting pronouncements up to ASU 2014-08, and does not believe the future adoption of any such pronouncements may be expected to cause a material impact on its financial condition or the results of its operations.

NOTE—3 DEPOSIT ON EQUIPMENT

The Company has remitted \$250,000 and \$257,111 as of June 30, 2014 and March 31, 2014 to a water bottling manufacturer as a deposit for a turnkey, custom bottled water plant to capture, process and bottle rainwater and rainwater based drinks using a unique proprietary process. The manufacturer will make delivery on the equipment once Company has secured funding for the balance of the \$600,000 purchase order.

NOTE—4 NOTES RECEIVABLE

Notes Receivable – Related Party - As of June 30, 2014 and March 31, 2014, the Company had note receivable due from related party in amount of \$20,375 and \$20,123, respectively, which was in connection with a Purchase Agreement, dated February 14, 2014, between the Company and Gabriel's Ventures LLC, a limited liability company organized under the laws of the State of Florida owned and controlled by Larry Curran, the Company's President ("Gabriel's Ventures"). Pursuant to the Purchase Agreement, Gabriel's Ventures purchased 200,000 Series B Preferred Shares from the Company for a Promissory Note of \$20,000, due on February 13, 2015, with annual interest at a rate of 5% per annum. Accordingly, the Company recorded interest income of \$252 and \$123 during the three months ended June 30, 2014 and March 31, 2014 in connection with the note receivable due from related party.



CHOOSE RAIN, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30 and MARCH 31, 2014

NOTE—4 NOTES RECEIVABLE (Continued)

Notes Receivable – Unrelated Party - As of June 30, 2014 and March 31, 2014, the Company had note receivable due from David Phelps, an unrelated third party (“Phelps”) in amounts of \$15,049 and \$14,864, respectively, which was in connection with the purchase of Shares in Notes Receivable – Related Party (continued) - Choose Rain LLC, dated February 3, 2014. Phelps issued the Company for a Promissory Note of \$15,000, due in varying monthly installments of thru February 3, 2015, with annual interest at a rate of 5% per annum. Accordingly, the Company recorded interest income of \$181 and \$113 during the three months ended June 30, 2014 and March 31, 2014 in connection with the note receivable due from related party.

NOTE—5 CONVERTIBLE NOTES PAYABLE

The Company had outstanding balances on its convertible notes payable of the following amounts as of June 30, 2014 and March 31, 2014:

	As of June 30, 2014	As of March 31, 2014
Les McCall, 8% interest rate, due on demand ⁽¹⁾	\$ -	\$ 14,325
Guardian Registrar & Transfer, Inc., 5% interest rate, due on April 5, 2015 ⁽⁵⁾	12,738	-
Black Creek Financial LLC, 12% interest rate, due on demand ⁽²⁾	25,561	24,801
Better Firearms Designs, Inc, 8% interest rate, due on demand ⁽³⁾	10,543	10,335
NuView IRA, Inc., 8% interest rate, due on March 31, 2019 ⁽⁴⁾	25,944	25,444
Total notes payable	\$ 74,786	\$ 74,905
Less: Current portion of notes payable	(48,842)	(49,461)
Total long-term notes payable	\$ 25,944	\$ 25,444

⁽¹⁾ On January 5, 2011, the Company entered into an 8% convertible promissory note to Emry Capital Group Inc., an unrelated third party, to fund up to \$500,000 for a period of 24 months (“Emry Note”). The holder of Emry Note could, at his option, convert all or any portion of the accrued interest and unpaid principal balance of this Note into fully paid and non-assessable shares of common stock of the Company or its successors, at the conversion ratio of One Hundredth Cent (\$0.0001) per share. Emry Note was subsequently assigned to three unrelated parties (“Assignees”). Pursuant to the assignment, Emry Note shall be convertible at the option of Assignees into an aggregate amount of 47,025,000 shares of the Company’s common stock at a new conversion price of \$.001 per share. On February 20, 2014, Assignees partially converted the Emry Note in amount of \$32,700 into 32,700,000 shares of Common Stock of the Company, resulting in a gain on debt forgiveness of \$10,021 during the three months ended March 31, 2014. On June 25, 2014, the remaining assignee converted the balance of the Emry Note in amount of \$14,325 into 14,325,000 shares of Common Stock of the Company, resulting in a gain on debt forgiveness of \$367 during the three months ended June 30, 2014.

⁽²⁾ The Company has a loan payable to Black Creek Financial LLC, an unrelated third party (“BCF”) at an interest rate of 12% per annum and due on demand. Pursuant to the loan agreement, BCF has the right to convert all or any portion of the accrued interest and unpaid principal balance of this Note into 900,000 shares of the Company’s common stock. The balance of this loan was \$25,561 as of June 30, 2014 and \$24,801 as of March 31, 2014, all of which were classified as short-term loan payable. The Company recorded interest expenses of \$760 and \$730 during the three months ended June 30 and March 31, 2014.



CHOOSE RAIN, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30 and MARCH 31, 2014

NOTE—5 CONVERTIBLE NOTES PAYABLE (Continued)

⁽³⁾ The Company has a loan payable to Better Firearms Designs, Inc., an unrelated third party (“BFD”) at an interest rate of 8% per annum and due on demand. Pursuant to the loan agreement, BFD has the right to convert all or any portion of the accrued interest and unpaid principal balance of this Note into 720,000 shares of the Company’s common stock. The balance of this loan was \$10,543 as of June 30, 2014 and \$10,335 as of March 31, 2014, all of which were classified as short-term loan payable. The Company recorded interest expenses of \$207 and \$201 during the three months ended June 30 and March 31, 2014.

⁽⁴⁾ The Company also has a loan payable to NuView IRA, Inc., an unrelated third party (“NuView”) at an interest rate of 8% per annum and due on March 31, 2019. Pursuant to the Promissory Note, NuView has the right to exchange each \$1,000 principal outstanding for .80 Class B units of Choose Rain LLC, up to a cap of 20 Class B units. The balance of this loan was \$25,944 as of June 30, 2014 and \$25,444 as of March 31, 2014, all of which was classified as long-term loan payable. The Company recorded interest expenses of \$500 and \$444 during the three months ended June 30, 2014 and March 31, 2014.

⁽⁵⁾ On April 5, 2014, the Company entered into a \$12,500, 5% convertible promissory note to Guardian Registrar & Transfer Inc., an unrelated third party, due April 4, 2015 to prepay stock transfer fees for a period of 12 months (“Guardian Note”). The holder of Guardian Note may, at his option, convert all or any portion of the accrued interest and unpaid principal balance of this Note into fully paid and non-assessable shares of common stock of the Company or its successors, at a conversion price of 50% of the average closing bids for the five trading days preceding the Conversion Notice. The balance of this loan was \$12,738 as of June 30, 2014, which was classified as short-term loan payable. The Company recorded interest expenses of \$238 during the three months ended June 30, 2014.

NOTE—6 JUDGMENT PAYABLE

In November 2008, the Company was served with a summons and complaint entitled “Steve Hillis and Diane Hillis (“Hillises”) vs. Resolve Staffing, Inc.” in connection with a dispute arising out of a private placement. Hillises, the private placement subscribers, alleged the Company owed \$810,050 relating to the subscription agreement, plus interest and fees. The Company failed to appear, plead or otherwise defend against the action and a judgment by default was issued to the Company in 2009.

Thus, Company had judgment payable of \$989,826 as of March 31, 2014, including principal of \$810,050 and the accrued interest payable of \$179,776. The Company accrued interest at a rate of 4.25% per annum, representing the prime rate plus 1% according to the current version of A.R.S §44-1201. The Company recorded interest expenses of \$4,150 and \$8,395 during the three months ended June 30 and March 31, 2014 in connection with the judgment payable.

On May 16, 2014, Company signed a Settlement Agreement with Hillises to release the judgment. Pursuant to the Settlement Agreement Company agreed to pay Hillises \$20,000 and withdraw Company’s lawsuit against them. Upon Hillises signing the Settlement Agreement Company remitted the first payment of \$3,000 and agreed to pay \$2,000 a month until the full \$20,000 has been paid. Hillises agreed to release the Judgment within 30 days of receiving a total of \$15,000 against the Settlement Agreement. Company made payments totaling \$15,000 by June 15th which required Hillises to release



CHOOSE RAIN, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS
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NOTE—6 JUDGMENT PAYABLE (Continued)

the judgment by July 15, 2014. Hillises executed the release of Judgment on June 30, 2014, accordingly, a gain of \$973,976 has been recorded in these financial statements as settlement of debt.

NOTE—7 CAPITAL STRUCTURE

The Company was authorized to issue 500,000,000 shares of Common Stock, par value \$0.001, of which 359,813,313 and 345,238,313 shares issued and outstanding as of June 30 and March 31, 2014, respectively.

The Company was authorized to issue 200,000 shares of Preferred Stock, par value \$0.001 with a conversion ratio of 1:1,000 shares of common stock, of which no shares were issued and outstanding as of March 31, 2014. On February 26, 2014, the 200,000 shares of Convertible Series B Preferred Stock were converted into 200,000,000 shares of common stock of the Company at a conversion ratio of 1:1,000 upon the notice of the holder of preferred stock and the approval of the Company's Board of Directors.

NOTE—8 REVERSE STOCK SPLIT

On January 16, 2014, the Board of Directors and Majority Shareholders of the Company approved a 1:100 reverse stock split of its common stock, thereby approving that each 100 shares of Common Stock issued and outstanding were exchanged for one share of Common Stock of the Company. The implementation of the reverse split took effect on February 6, 2014. The statement of stockholders' equity has been restated per FASB 128 paragraph 134, as if the Reverse Split took effect at the beginning of the periods presented.

NOTE—9 NET LOSS PER SHARE

Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. If applicable, diluted earnings per share assume the conversion, exercise or issuance of all common stock instruments such as options, warrants and convertible securities, unless the effect is to reduce a loss or increase earnings per share. Convertible debentures are not considered in the calculations, as the impact of the potential common shares would be to decrease the loss per share. Therefore no diluted loss per share figure is presented.

As of June 30, 2014, all shares of Convertible Series B Preferred Stock of the Company and the Emry Note had been converted. The remaining convertible promissory notes may dilute future earnings per share.

The following table sets forth the computation of basic and dilutive net income (loss) per share for the three months ended June 30 and March 31, 2014.



CHOOSE RAIN, INC.
NOTES TO UNAUDITED FINANCIAL STATEMENTS
FOR THE PERIODS ENDED JUNE 30 and MARCH 31, 2014

NOTE—9 NET LOSS PER SHARE (Continued)

	For the three months ended	
	June 30, 2014	March 31, 2014
Numerator:		
- Net income (loss)	\$ 933,785	\$ -40,750
Denominator:		
- Weighted average shares outstanding - basic	214,896,198	182,404,531
- Weighted average shares outstanding - dilutive	359,697,928	346,317,434
Net income (loss) per share – basic	**	**
Net income (loss) per share – dilutive	N/A	N/A
** Less than \$.01		

NOTE—10 GOING CONCERN

These financial statements have been prepared assuming that Company will continue as a going concern, which contemplates the realization of assets and the discharge of liabilities in the normal course of business for the foreseeable future.

As of June 30, 2014, the Company had a Net Worth of \$206,002 but continuing operating losses. Management has taken certain actions and continues to implement changes designed to improve the Company's financial results and operating cash flows. The actions involve certain cost-saving initiatives and growing strategies, including (a) reductions in raw materials costs; (b) expansion of the Choose Rain, Inc. business model into new markets, and; (c) equity capital infusion. Management believes that these actions will enable the Company to improve future profitability and cash flow in its continuing operations through December 31, 2014 and beyond. As a result, the financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of the Company's ability to continue as a going concern.

NOTE—11 SUBSEQUENT EVENTS

In accordance with ASC Topic 855-10, the Company has analyzed its operations subsequent to June 30, 2014 to the date these financial statements were issued. The Company does not have any material subsequent events to disclose in these financial statements.



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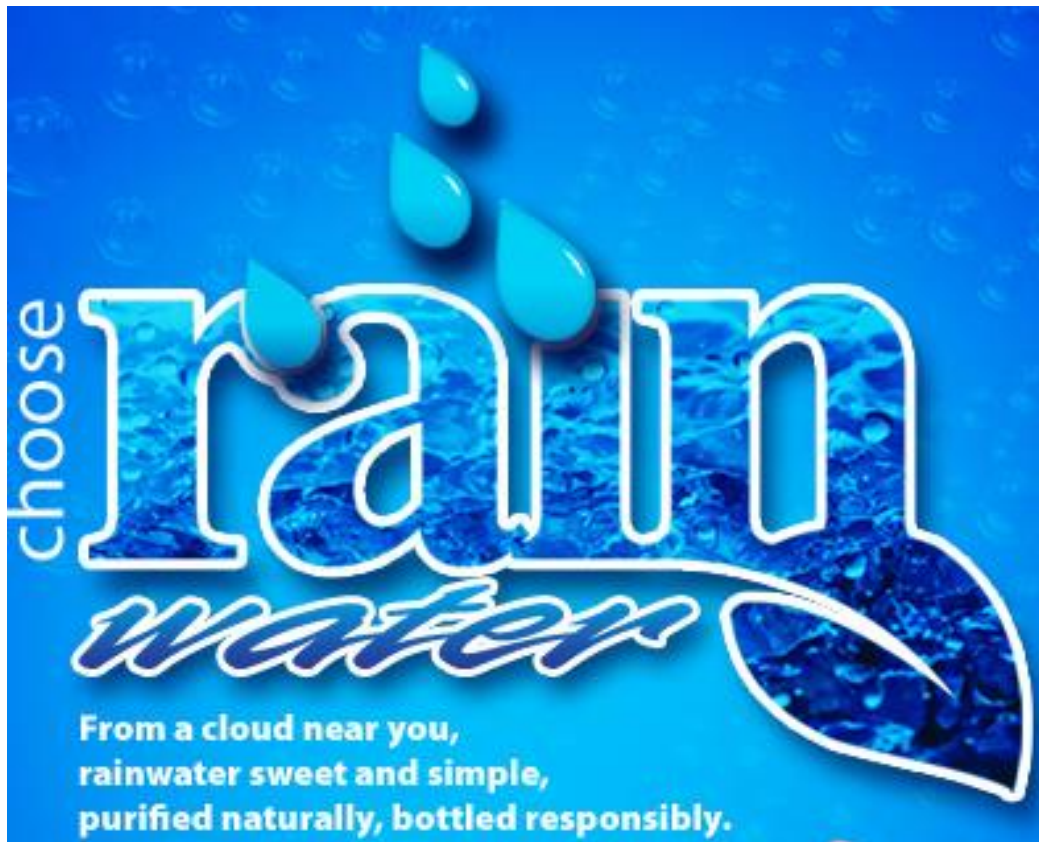


I, Larry R. Curran certify that:

1. I have reviewed the Financial Statements for the periods ended June 30 and March 31, 2014 of Choose Rain, Inc.
2. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference hereto, 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 hereto.

Date: July 21, 2014

/s/: Larry R. Curran
Larry R. Curran
Chief Executive Officer



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