

EVERLERT INC.

OTCPK: EVLI
(CUSIP: 300362 10 0)

Consolidated Financial Statements **(Unaudited)**

Financial Statements
From Inception (February 3, 1998) through
December 31, 2007
December 31, 2008
December 31, 2009
December 31, 2010
December 31, 2011
(Stated in US Dollars)

EVERLERT, INC.
825 S. Primrose Ave., Suite A
Monrovia, CA 91016
Phone: 877-224-0217
Fax: 626-513-8816

Everlert, Inc.

Consolidated Financial Statements (Unaudited)

**Footnotes to the Financial Statements
From Inception (February 3, 1998) to December 31, 2007
(Stated in US Dollars)**

**825 S. Primrose Ave., Suite A
Monrovia, CA 91016
Phone: 877-224-0217
Fax: 626-513-8816**

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EVERLERT, INC.
Balance Sheet
(A Development Stage Company)
(Stated in US Dollars)

	Year Ended 12/31/07 (Unaudited)	Year Ended 12/31/06 (Unaudited)
ASSETS		
Current Assets:		
Cash and Equivalents	\$ 9,896	\$ -
Inventory - Real Property Held for Sale	\$ 14,740	\$ 14,740
Other Current Assets	\$ 189,320	
Loans Receivable	\$ 50,000	\$ 101,500
Total current assets	\$ 263,956	\$ 116,240
Other Assets		
Notes Receivable - Long Term	\$ 101,500	\$ -
Goodwill	\$ 77,493	\$ 77,493
Total Other Assets	\$ 178,993	\$ 77,493
Total Assets	\$ 442,949	\$ 193,733
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 10,776	\$ 42
Total current liabilities	\$ 10,776	\$ 42
Long-Term Liabilities:		
Other Unsecured Long-Term Notes	\$ 31,549	\$ 30,000
Total Long-Term Liabilities	\$ 31,549	\$ 30,000
Total Liabilities	\$ 42,325	\$ 30,042
Stockholders' Deficit:		
Preferred Stock, Class "A", par value \$0.001, 5,000,000 shares authorized, 5,000,000 issued or outstanding.	\$ 5,000	\$ -
Preferred Stock, Class "C", par value \$0.001, 5,000,000 shares authorized, 16,000 shares issued and outstanding	\$ 16	\$ 16
Common Stock, 800,000,000 shares authorized; par value \$0.001 per share; 689,162,461 shares issued and outstanding	\$ 731,370	\$ 322,888
Additional Paid -In Capital	\$ 3,405,505	\$ 3,405,505
Retained Profit (Deficit)	\$ (3,741,267)	\$ (3,564,718)
Total stockholders' deficit	\$ 400,624	\$ 163,691
Total liabilities and stockholders' deficit	\$ 442,949	\$ 193,733

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

EVERLERT, INC.
Income Statement
(A Development Stage Company)
(Stated in US Dollars)
(Unaudited)

	Year Ended 12/31/07	Year Ended 12/31/06
Net Revenue	\$ -	\$ -
Operating Expenses:		
Consulting Services Expense	\$ 5,000	\$ -
General and Administrative	\$ 170,000	\$ -
Total Operating Expenses	<u>\$ 175,000</u>	<u>\$ -</u>
Operating Income (Loss)	\$ (175,000)	\$ -
Other Income (Expense):		
Interest Expense	<u>\$ (1,549)</u>	<u>\$ (42)</u>
Total other Income (Expense)	<u>\$ (1,549)</u>	<u>\$ (42)</u>
Net Income (Loss)	<u><u>\$ (176,549)</u></u>	<u><u>\$ (42)</u></u>
Basic Loss per Common Share	\$ (0.000)	\$ (0.000)
Weighted Average Number of Common Shares	731,370,160	322,877,600

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

EVERLERT, INC.
Statement of Cash Flows
(A Development Stage Company)
(Stated in US Dollars)
(Unaudited)

	Year Ended 12/31/07	Year Ended 12/31/06
<u>Operating Activities</u>		
Net Income (loss)	\$ (176,549)	\$ (42)
<i>Changes in operating assets and liabilities</i>		
Increase (Decrease) in Accounts Payable	\$ 10,734	\$ -
(Increase) Decrease in Other Current Assets	\$ (189,320)	\$ -
Increase (Decrease) in Unsecured Notes	\$ 1,549	\$ -
(Increase) Decrease in Loans Receivable	\$ 51,500	\$ (29,958)
Net cash used in operating activities	\$ (302,086)	\$ (30,000)
<u>Investing Activities</u>		
Issuance of Notes Receivable	\$ (101,500)	\$ (116,240)
(Purchased) goodwill from acquisitions	\$ -	\$ (77,493)
Net cash used in investing activities	\$ (101,500)	\$ (193,733)
<u>Financing Activities</u>		
Net Proceeds from Issuance of Notes Payable	\$ -	\$ 30,000
Shares Issued - Treasury (144)	\$ -	\$ 193,733
Issuance of Preferred Stock - Class A	\$ 5,000	\$ -
Issuance of Common Stock	\$ 408,483	\$ -
Net Cash provided by financing activities	\$ 413,483	\$ 223,733
 Cash at beginning of period	 \$ -	 \$ -
Cash at end of period	\$ 9,897	\$ -

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

EVERLERT, INC.
STATEMENTS OF STOCKHOLDER'S EQUITY
From Inception (February 3, 1998) to Dec 31, 2007
(A Development Stage Company)
(Unaudited) (Stated in US Dollars)

	Preferred Stock		Common Stock		Paid in	Accumulated	Total
	Shares	Amount	Shares	Amount	Capital	Deficit	Equity
Balance, December 31, 2005	16,000	\$ 16	129,155,040	\$ 129,155	\$ 3,405,505	\$ (3,564,676)	\$ (30,000)
Share Exchange (see note 1)			116,239,536	\$ 116,240			\$ 116,240
Share Exchange (see note 2)			77,493,024	\$ 77,493			\$ 77,493
Net Loss						\$ (42)	\$ (42)
Balance, December 31, 2006	16,000	\$ 16	322,887,600	\$ 322,888	\$ 3,405,505	\$ (3,564,718)	\$ 163,691
Shares Issued - (see note 3)			203,482,560	\$ 203,483			\$ 203,483
Shares Issued - (see note 4)	5,000,000	\$ 5,000	105,000,000	\$ 105,000			\$ 110,000
Shares Issued - (see note 5)			100,000,000	\$ 100,000			\$ 100,000
Net Loss						\$ (176,549)	\$ (176,549)
Balance, December 31, 2007	5,016,000	\$ 5,016	731,370,160	\$ 731,370	\$ 3,405,505	\$ (3,741,267)	\$ 400,624

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

Note A - Nature of Business and Summary of Significant Accounting Policies

The Company

Everlert, Inc. (hereinafter referred to as the "Company") is a publicly traded real estate acquisition and management company whose focus is on the purchase and sale of real estate. Properties acquired come from those parties who wish to market their real estate for various reasons. The Company is actively engaged in the acquisition, enhancement, and disposition of real estate.

Everlert, Inc. is a development stage Company engaged in the acquisition, management and disposition of commercial and residential properties for the purpose of making improvements and/or add-ons, when one in which enhance the property, and creates additional value. (Other OTC: EVLI.PK) The Company's business address is 895 Dove St, Suite 300, Newport Beach, CA 92660 USA. The Company conducts its business primarily through Orpheus Capital, LLC (and the "Operating Partnership"), a California Limited Liability Company in which the Company held a 90% partnership interest as of December 31, 2007.

The Company, through its subsidiary, Orpheus Capital, LLC described above, as of December 31, 2007, owns or controls approximately 27 properties comprised primarily of undeveloped land and notes receivable as noted in the following schedules:

The Properties are concentrated in the following market areas:

Market Area	Type of Property	<i>Number</i>
Arizona	Land	11
California	Land	13
Colorado	Land	3
Total		27

The notes receivable are in the following market areas and carry terms of 3 years from origination. Interest is payable only until maturity when the principal balances are due and payable:

Market Area	Type of Property	Number	Annual Interest Rate	Note Principal Balance
California	Note Receivable	1	7%	\$ 101,500
Total		<u>1</u>		<u>\$ 101,500</u>

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

Nature of Operations

Everlert, Inc., a Nevada corporation ("registrant"), was originally incorporated on February 3, 1998, and has adopted a December 31 year-end. In February 1998, the articles of incorporation were amended to add to the authorized shares 5 million shares of preferred stock and increase the authorized common stock to 50,000,000 shares. In December 2003, the articles of incorporation were amended to increase the number of authorized common shares to 800,000,000. In December 2006, the articles of incorporation were amended to add to the authorized shares 5 million shares of preferred stock designated Series A Preferred.

In December 2006, the Company acquired 90% of Orpheus Capital, LLC in a stock for stock exchange by issuing 116,239,536 Common Stock Shares at par \$0.001 for a total purchase price of \$116,240. The acquisition was accounted for by using the purchase method of accounting and, accordingly, Orpheus Capital, LLC's results of operation have been included in the consolidated financial statements since the date of acquisition.

Also in December 2006, the Company purchased 100% of Everlert Communications, Inc. (A California Corporation) in a stock for stock exchange by issuing 77,493,024 common shares at par value \$0.001, for a total purchase price of \$77,493. The acquisition was accounted for by using the purchase method of accounting and, accordingly, Everlert Communications, Inc.'s results of operations have been included in the consolidated financial statements since the date of acquisition.

As of December 31, 2007, the Company is a development stage Company. The amount of accumulated deficit from inception (February 3, 1998) through December 31, 2007 is 3,741,267. SFAS 7 defines a development stage enterprise as a Company that:

- Devote substantially all its efforts to establishing a new business and has not begun planned principal operations; or
- Has begun operations, but has not generated significant revenue.

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its 90% owned subsidiary, Orpheus Capital, LLC, a California LLC. All significant inter-company transactions have been eliminated in consolidation.

The Company's mergers and acquisitions were accounted for as purchases in accordance with either Accounting Principles Board ("APB") Opinion No. 16, Business Combinations, or SFAS No. 141, Business Combinations. SFAS No. 141 requires all business combinations initiated after June 30, 2001 to be accounted for under the purchase method of accounting. The fair value of the consideration given by the Company in the mergers was used as the valuation basis for each of the combinations. The accompanying consolidated statements of operation and cash flows include the results of the properties purchased through the mergers and acquisitions from their respective closing dates.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in the United States requires management to make estimates and assumptions that affect amounts reported and disclosed in the financial statements and the accompanying notes. Actual results could differ

materially from these estimates. On an ongoing basis, we expect to evaluate our estimates, including those related to the accounts receivable, the accounts payable and sales allowances, fair values of marketable and non-marketable securities, fair values of intangible assets and goodwill, useful lives of intangible assets, property and equipment, fair values of options to purchase our common stock, and income taxes, among others. We expect to base our estimates on historical experience and on various other assumptions that are believed to be reasonable, and the results of which form the basis for making judgments about the carrying values of assets and liabilities.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts or revenues and expenses during the reporting period. Actual results could differ materially from those estimates. Significant accounting policies and estimates underlying the accompanying financial statements include:

It is reasonably possible that the estimates may change in the future.

Fair Value of Financial Instruments

The carrying amounts of our financial instruments, including cash and cash equivalents, marketable securities, Accounts Receivable, Accounts Payable and accrued liabilities, approximate fair value because of their generally short maturities.

Cash and Cash Equivalents and Marketable Securities

We invest our excess cash in money market funds and in highly liquid debt instruments of U.S. municipalities, corporations and the US government and its agencies. All highly liquid investments with stated maturities of three months or less from date of purchase are classified as cash equivalents; all highly liquid investments with stated maturities of greater than three months are classified as marketable securities.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements, if any, are amortized over the shorter of the lease term or the estimated useful lives of the assets. Depreciation for equipment commences once it is placed in service and depreciation for buildings and leasehold improvements commences once they are ready for their intended use.

Depreciation

Properties, when utilized by the Company and not held for sale and recognized and recorded, are expected to be depreciated using a straight-line method over the estimated useful lives of the assets as follows:

Land improvements	3-20 years
Buildings and improvements	3-14 years
Furniture, fixtures and equipment	5-10 years
Computer software	5 years

Long-Lived to Assets Including Goodwill and Other Acquired Intangible Assets

The Company reviews property and equipment and intangible assets, excluding goodwill, for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of these assets is measured by comparison of carrying amounts to the future on discounted cash flows the assets are expected to generate. If property and equipment and intangible assets are considered to be impaired, the impairment to be recognized equals the amount by which the carrying value of the asset exceeds its fair market value. The Company has made no adjustments to long-lived assets in any of the years presented. In accordance with SFAS No.142, Goodwill and Other Intangible Assets, the Company tests goodwill, if any, for impairment at least annually, or more frequently if events or changes in circumstances indicate that this asset may be impaired.

SFAS No.142 also requires that intangible assets with definite lives be amortized over their estimated useful lives and reviewed for impairment whenever events or changes in circumstances indicate an asset's carrying value may not be reasonable in accordance with SFAS No.144, accounting for the impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of.

Legal Costs

Legal costs are expensed as incurred.

Gains on Real Estate Sales

Gains on disposition of properties are recognized using the full accrual method in accordance with the provisions of SFAS No.66, accounting for Real Estate Sales, provided that various criteria relating to the terms of sale and any subsequent involvement by the Company with the properties sold are met.

Advertising and Promotional Expenses

Advertising and promotional costs are expensed as incurred.

Stock-based Compensation

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 123 (revised 2004) come on Share-based Payment ("SFAS 123R") and that addresses the accounting for share-based payment transactions in which an enterprise receives employee services in exchange for equity instruments of the enterprise or liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments. SFAS 123R eliminates the ability to account for share-based compensation transactions using the intrinsic value method under Accounting Principles Board Opinion No.25, Accounting for Stock Issued to Employees ("APB 25"), and it generally requires instead that such transactions be accounted for using a fair-value-based method.

Liquidity

As Shown in the Accompanying Financial Statements, the Company has incurred a net loss of \$176,549 during the year ended December 31, 2007 and a cumulative loss of since inception of \$3,741,267 (February 3, 1998).

Litigation

The Company may be subject to various claims and painting or threatened lawsuits in the normal course of business. Management believes that the outcome of any such lawsuits would not have a materially adverse effect on the Company's financial position, results of operations or cash flows.

Note B – Commitments and Contingencies

Operating Leases

The Company polices corporate office space on a month to month basis under an operating lease agreement. The Company pays a portion of the related operating expenses under this lease agreement in addition to the basic monthly rental. Rent expense under this lease is expensed as incurred monthly at the rate of approximately \$580 beginning January 1, 2007.

At December 31, 2007, future minimum payments under operating leases are as follows for the next five years and a thereafter:

<u>Lease Expense</u>	<u>Amount</u>
2008	\$ 6,960
2009	\$ 6,960
2010	\$ 6,960
2011	\$ 6,960
Total	\$ 27,840

Note C – Loans and Notes Payable

Long-term debt consists of the following at December 31, 2007:

<u>Description</u>	<u>Origination</u>	<u>Amount</u>
Debt Note for Services	12/20/06	\$ 31,549
Total Loans		<u>\$ 31,549</u>

Note D – 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 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 December 31, 2007, the Company has available for federal income tax purposes a net operating loss carry forward from continuing operations of approximately \$3,741,267. Such losses may not be fully deductible is due to the significant amounts of non-Cash service costs in the change in ownership rules

Under Section 382 of the Internal Revenue Code. The Company has established a valuation allowance for the full tax benefit of the operating loss carryovers due to the uncertainty regarding realization. There is no tax benefit recorded due to this allowance as of December 31, 2007.

Note E – 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 since inception through December 31, 2007, the Company incurred a loss from operations of \$3,741,267 however, has not maintain profitable operations under its current operation 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 management's ability to develop profitable operations. Management anticipates the Company will attain profitable status and improve its liquidity to the continued developing, marketing and selling of its products in additional equity investment 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. 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 action will result in profitable operation or the resolution of its liquidity problems.

Note F – Net Income (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.

Note G – Shareholders' Equity

Preferred Stock

Currently, there are two classes of preferred stock which have been authorized by the Company as follows:

"Class A"

As of December 31, 2007, the Company privately authorized and issued 5 million shares of class "A." preferred stock, \$0.001 par value. The Preferred Shares are to be convertible at any time by the holder into Common Shares at a conversion ratio of 2:1 fully paid and non-assessable, non-voting shares of the Company's common stock, subject to the law provisions.

"Class C"

As of December 31, 2007, there are 5 million authorized and 16,000 shares issued of class "C" preferred stock, \$0.001 par value. The Preferred Shares have a conversion feature that these shares may be converted into shares of the Company's common stock on the basis of 10 shares of common stock for one share of preferred stock. In addition, the shares of preferred stock are callable two years from the date of issuance, but before three years from the date of issuance at a retention rate of 110% of the liquidation value. Accordingly, the liquidation value is stated at \$3.00 per share of preferred stock.

Common Stock

The authorized capital stock of the Company includes 800,000,000 shares of common stock, par value \$0.001 per share. The holders of the shares: (a) have equal ratable rights to dividends from funds legally available and therefore, when, as, and if declared by the Board of Directors of the Company; (b) are entitled to share ratably in all of the assets of the Company available for distribution upon winding up of the affairs of the Company; and (c) are entitled to one non-cumulative vote per share on all matters on which shareholders may vote at all meetings of shareholders. These securities do not have any of the following rights: (a) cumulative or special voting rights; (b) preemptive rights to purchase new issues of shares; (c) preference as to dividends or interest; (d) preference upon liquidation; or (e) any other special rights or preferences. In addition, the shares are not convertible into any other security. There are no restrictions on dividends under any loan, other financing agreements or otherwise. As of December 31, 2007, the Company had 731,370,160 shares of common stock issued and outstanding.

Dividends

The Company does not currently intend to pay cash dividends. Because the Company does not intend to make cash distributions, potential shareholders would need to sell their shares to realize a return on their investment. There can be no assurances of the projected values of the shares, nor can there be any guarantees of the success of the Company.

A distribution of revenues will be made only when, in the judgment of the Company's board of directors, is in the best interest of the Company's stockholders to do so. The board of directors will review, among other things, the financial status of the Company and any future cash needs of the Company in making its decision.

Description of equity transactions:

As of the year ended December 31, 2007:

- i. There are 800,000,000 shares of common stock authorized with \$0.001 par value.

There are 5,000,000 preferred Series A stock authorized with \$0.001 par value. There are 5,000,000 Series C stock authorized with \$0.001 par value

- ii. There are 731,370,160 shares of Common Stock issued and outstanding.

There are 5,000,000 preferred Series A stock issued and outstanding

There are 16,000 preferred Series C stock issued and outstanding

- iii. There are approximately 188,255,000 shares freely tradable.

- iv. The Company has approximately 212 beneficial shareholders.

- v. The Company has approximately 212 shareholders of record.

Notes:

1. In December, 2006 the Company acquired 90% of the Orpheus Capital, LLC in a stock or stock exchange by issuing 116,239,536 Common Stock Shares at par or \$0.001.
2. In December, 2006 the Company purchased 100% of Everlert Communications, Inc. (a California corporation) in a stock for stock exchange by issuing 77,493,024 Common Stock.
3. In June 2007 the Company issued 203,482,560 shares of the Company's Common stock for professional services to Company executives and consultants in consideration for services rendered.
4. In August 2007 the Company issued 5,000,000 shares of the Company's Class "A" Preferred stock and 105,000,000 shares of the Company's common stock in consideration for services rendered.
5. In October 2007 the Company issued 100,000,000 shares of the Company's Common stock in consideration for services rendered.

CERTIFICATION

I, Robert L. Hymers III, President and Chief Executive Officer of Everlert, Inc., hereby certifies that the un-audited financial statements and related footnotes hereto present fairly, in all material respects, the financial position of Everlert, Inc. and the results of its operations and cash flows as of and for the year ending December 31, 2012, in conformity with accounting principles generally accepted in the United States, consistently applied.

A handwritten signature in black ink, appearing to read "R. L. Hymers III".

February 1, 2013

EVERLERT, INC.

Robert L. Hymers III, President

I, W. Lee Davidson, Secretary and Treasurer of Everlert, Inc., hereby certifies that the un-audited financial statements and related footnotes hereto present fairly, in all material respects, the financial position of Everlert, Inc. and the results of its operations and cash flows as of and for the year ending December 31, 2012, in conformity with accounting principles generally accepted in the United States, consistently applied.

A handwritten signature in black ink, appearing to read "W. Lee Davidson".

February 1, 2013

EVERLERT, INC.

W. Lee Davidson, Secretary/ Treasurer

Everlert, Inc.

**Consolidated Financial Statements
(Unaudited)**

**Footnotes to the Financial Statements
From Inception (February 3, 1998) to December 31, 2008
(Stated in US Dollars)**

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EVERLERT, INC.
Balance Sheet
(A Development Stage Company)
(Stated in US Dollars)

	Year Ended 12/31/08 <u>(Unaudited)</u>	Year Ended 12/31/07 <u>(Unaudited)</u>
ASSETS		
Current Assets:		
Cash and Equivalents	\$ 3,465	\$ 9,896
Inventory - Real Property Held for Sale	\$ -	\$ 14,740
Other Current Assets	\$ 54,124	\$ 189,320
Loans Receivable	\$ 50,000	\$ 50,000
Total current assets	<u>\$ 107,589</u>	<u>\$ 263,956</u>
Other Assets		
Investment in Land	\$ 111,567	\$ -
Notes Receivable - Long Term	\$ 101,500	\$ 101,500
Goodwill	\$ 77,493	\$ 77,493
Total Other Assets	<u>\$ 290,560</u>	<u>\$ 178,993</u>
Total Assets	<u>\$ 398,149</u>	<u>\$ 442,949</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 12,776	\$ 10,776
Notes Payable - Current Portion	\$ -	\$ -
Total current liabilities	<u>\$ 12,776</u>	<u>\$ 10,776</u>
Long-Term Liabilities:		
Other Unsecured Long-Term Notes	\$ 33,053	\$ 31,549
Total Long-Term Liabilities	<u>\$ 33,053</u>	<u>\$ 31,549</u>
Total Liabilities	<u>\$ 45,829</u>	<u>\$ 42,325</u>
Stockholders' Deficit:		
Preferred Stock, Class "A", par value \$0.001, 5,000,000 shares authorized, 5,000,000 issued or outstanding.	\$ 5,000	\$ 5,000
Preferred Stock, Class "C", par value \$0.001, 5,000,000 shares authorized, 16,000 shares issued and outstanding	\$ 16	\$ 16
Common Stock, 800,000,000 shares authorized; par value \$0.001 per share; 689,162,461 shares issued and outstanding	\$ 26,146	\$ 731,370
Additional Paid -In Capital	\$ 4,136,729	\$ 3,405,505
Retained Profit (Deficit)	\$ (3,815,571)	\$ (3,741,267)
Total stockholders' deficit	<u>\$ 352,320</u>	<u>\$ 400,624</u>
Total liabilities and stockholders' deficit	<u>\$ 398,149</u>	<u>\$ 442,949</u>

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

EVERLERT, INC.
Income Statement
(A Development Stage Company)
(Stated in US Dollars)
(Unaudited)

	Year Ended 12/31/08	Year Ended 12/31/07
Net Revenue	\$ -	\$ -
Operating Expenses:		
Consulting Services Expense	\$ 26,000	\$ 5,000
General and Administrative	\$ 46,800	\$ 170,000
Total Operating Expenses	<u>\$ 72,800</u>	<u>\$ 175,000</u>
Operating Income (Loss)	\$ (72,800)	\$ (175,000)
Other Income (Expense):		
Interest Expense	\$ (1,504)	\$ (1,549)
Total other Income (Expense)	<u>\$ (1,504)</u>	<u>\$ (1,549)</u>
Net Income (Loss)	<u><u>\$ (74,304)</u></u>	<u><u>\$ (176,549)</u></u>
Basic Loss per Common Share	\$ (0.003)	\$ (0.000)
Weighted Average Number of Common Shares	26,146,389	731,370,160

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

EVERLERT, INC.
Statement of Cash Flows
(A Development Stage Company)
(Stated in US Dollars)
(Unaudited)

	Year Ended 12/31/08	Year Ended 12/31/07
<u>Operating Activities</u>		
Net Income (loss)	\$ (74,304)	\$ (176,549)
<i>Changes in operating assets and liabilities</i>		
Increase (Decrease) in Accounts Payable	\$ 2,000	\$ 10,734
(Increase) Decrease in Other Current Assets	\$ 135,196	\$ (189,320)
Increase (Decrease) in Unsecured Notes	\$ 1,504	\$ 1,549
(Increase) Decrease in Loans Receivable	\$ -	\$ 51,500
(Increase) Decrease in Inventory RE	\$ (96,827)	\$ -
Net cash used in operating activities	\$ (32,431)	\$ (302,086)
<u>Investing Activities</u>		
Issuance of Notes Receivable	\$ -	\$ (101,500)
Net cash used in investing activities	\$ -	\$ (101,500)
<u>Financing Activities</u>		
Shares Issued - Treasury (144)	\$ 26,000	\$ -
Issuance of Preferred Stock - Class A	\$ -	\$ 5,000
Issuance of Common Stock	\$ -	\$ 408,483
Net Cash provided by financing activities	\$ 26,000	\$ 413,483
 Cash at beginning of period	 \$ 9,897	 \$ -
Cash at end of period	<u><u>\$ 3,466</u></u>	<u><u>\$ 9,897</u></u>

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

EVERLERT, INC.
STATEMENTS OF STOCKHOLDER'S EQUITY
From Inception (February 3, 1998) to Dec 31, 2008
(A Development Stage Company)
(Unaudited) (Stated in US Dollars)

	Preferred Stock		Common Stock		Paid in Capital	Accumulated Deficit	Total Equity
	Shares	Amount	Shares	Amount			
Balance, December 31, 2005	16,000	\$ 16	129,155,040	\$ 129,155	\$ 3,405,505	\$ (3,564,676)	\$ (30,000)
Share Exchange (see note 1)			116,239,536	\$ 116,240			\$ 116,240
Share Exchange (see note 2)			77,493,024	\$ 77,493			\$ 77,493
Net Loss						\$ (42)	\$ (42)
Balance, December 31, 2006	16,000	\$ 16	322,887,600	\$ 322,888	\$ 3,405,505	\$ (3,564,718)	\$ 163,691
Shares Issued - (see note 3)			203,482,560	\$ 203,483			\$ 203,483
Shares Issued - (see note 4)	5,000,000	\$ 5,000	105,000,000	\$ 105,000			\$ 110,000
Shares Issued - (see note 5)			100,000,000	\$ 100,000			\$ 100,000
Net Loss						\$ (176,549)	\$ (176,549)
Balance, December 31, 2007	5,016,000	\$ 5,016	731,370,160	\$ 731,370	\$ 3,405,505	\$ (3,741,267)	\$ 400,624
REVERSE SPLIT: 1:5000 (see note 6)			146,389	\$ 146	\$ 731,224		\$ -
Shares Issued - (see note 7)			26,000,000	\$ 26,000			\$ 26,000
Net Loss						\$ (74,304)	\$ (74,304)
Balance, December 31, 2008	5,016,000	\$ 5,016	26,146,389	\$ 26,146	\$ 4,136,729	\$ (3,815,571)	\$ 352,320

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

Note A - Nature of Business and Summary of Significant Accounting Policies

The Company

Everlert, Inc. (hereinafter referred to as the "Company") is a publicly traded real estate acquisition and management company whose focus is on the purchase and sale of real estate. Properties acquired come from those parties who wish to market their real estate for various reasons. The Company is actively engaged in the acquisition, enhancement, and disposition of real estate.

Everlert, Inc. is a development stage Company engaged in the acquisition, management and disposition of commercial and residential properties for the purpose of making improvements and/or add-ons, when one in which enhance the property, and creates additional value. (Other OTC: EVLIPK) The Company's business address is 895 Dove St, Suite 300, Newport Beach, CA 92660 USA. The Company conducts its business primarily through Orpheus Capital, LLC (and the "Operating Partnership"), a California Limited Liability Company in which the Company held a 90% partnership interest as of December 31, 2008.

The Company, through its subsidiary, Orpheus Capital, LLC described above, as of December 31, 2008, owns or controls approximately 27 properties comprised primarily of undeveloped land and notes receivable as noted in the following schedules:

The Properties are concentrated in the following market areas:

Market Area	Type of Property	<i>Number</i>
Arizona	Land	11
California	Land	13
Colorado	Land	3
Total		27

The notes receivable are in the following market areas and carry terms of 3 years from origination. Interest is payable only until maturity when the principal balances are due and payable:

Market Area	Type of Property	Number	Annual Interest Rate	Note Principal Balance
California	Note Receivable	1	7%	\$ 101,500
Total		<u>1</u>		<u>\$ 101,500</u>

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

Nature of Operations

Everlert, Inc., a Nevada corporation ("registrant"), was originally incorporated on February 3, 1998, and has adopted a December 31 year-end. In February 1998, the articles of incorporation were amended to add to the authorized shares 5 million shares of preferred stock and increase the authorized common stock to 50,000,000 shares. In December 2003, the articles of incorporation were amended to increase the number of authorized common shares to 800,000,000. In December 2006, the articles of incorporation were amended to add to the authorized shares 5 million shares of preferred stock designated Series A Preferred.

In December 2006, the Company acquired 90% of Orpheus Capital, LLC in a stock for stock exchange by issuing 116,239,536 Common Stock Shares at par \$0.001 for a total purchase price of \$116,240. The acquisition was accounted for by using the purchase method of accounting and, accordingly, Orpheus Capital, LLC's results of operation have been included in the consolidated financial statements since the date of acquisition.

Also in December 2006, the Company purchased 100% of Everlert Communications, Inc. (A California Corporation) in a stock for stock exchange by issuing 77,493,024 common shares at par value \$0.001, for a total purchase price of \$77,493. The acquisition was accounted for by using the purchase method of accounting and, accordingly, Everlert Communications, Inc.'s results of operations have been included in the consolidated financial statements since the date of acquisition.

As of December 31, 2008, the Company is a development stage Company. The amount of accumulated deficit from inception (February 3, 1998) through December 31, 2008 is 3,815,571. SFAS 7 defines a development stage enterprise as a Company that:

- Devote substantially all its efforts to establishing a new business and has not begun planned principal operations; or
- Has begun operations, but has not generated significant revenue.

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its 90% owned subsidiary, Orpheus Capital, LLC, a California LLC. All significant inter-company transactions have been eliminated in consolidation.

The Company's mergers and acquisitions were accounted for as purchases in accordance with either Accounting Principles Board ("APB") Opinion No. 16, Business Combinations, or SFAS No. 141, Business Combinations. SFAS No. 141 requires all business combinations initiated after June 30, 2001 to be accounted for under the purchase method of accounting. The fair value of the consideration given by the Company in the mergers was used as the valuation basis for each of the combinations. The accompanying consolidated statements of operation and cash flows include the results of the properties purchased through the mergers and acquisitions from their respective closing dates.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in the United States requires management to make estimates and assumptions that affect amounts reported and disclosed in the financial statements and the accompanying notes. Actual results could differ materially from these estimates. On an ongoing basis, we expect to evaluate our estimates, including

those related to the accounts receivable, the accounts payable and sales allowances, fair values of marketable and non-marketable securities, fair values of intangible assets and goodwill, useful lives of intangible assets, property and equipment, fair values of options to purchase our common stock, and income taxes, among others. We expect to base our estimates on historical experience and on various other assumptions that are believed to be reasonable, and the results of which form the basis for making judgments about the carrying values of assets and liabilities.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts or revenues and expenses during the reporting period. Actual results could differ materially from those estimates. Significant accounting policies and estimates underlying the accompanying financial statements include:

It is reasonably possible that the estimates may change in the future.

Fair Value of Financial Instruments

The carrying amounts of our financial instruments, including cash and cash equivalents, marketable securities, Accounts Receivable, Accounts Payable and accrued liabilities, approximate fair value because of their generally short maturities.

Cash and Cash Equivalents and Marketable Securities

We invest our excess cash in money market funds and in highly liquid debt instruments of U.S. municipalities, corporations and the US government and its agencies. All highly liquid investments with stated maturities of three months or less from date of purchase are classified as cash equivalents; all highly liquid investments with stated maturities of greater than three months are classified as marketable securities.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements, if any, are amortized over the shorter of the lease term or the estimated useful lives of the assets. Depreciation for equipment commences once it is placed in service and depreciation for buildings and leasehold improvements commences once they are ready for their intended use.

Depreciation

Properties, when utilized by the Company and not held for sale and recognized and recorded, are expected to be depreciated using a straight-line method over the estimated useful lives of the assets as follows:

Land improvements	3-20 years
Buildings and improvements	3-14 years
Furniture, fixtures and equipment	5-10 years
Computer software	5 years

Long-Lived to Assets Including Goodwill and Other Acquired Intangible Assets

The Company reviews property and equipment and intangible assets, excluding goodwill, for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of these assets is measured by comparison of carrying amounts to the future on discounted cash flows the assets are expected to generate. If property and equipment and intangible assets are considered to be impaired, the impairment to be recognized equals the amount by which the carrying value of the asset exceeds its fair market value. The Company has made no adjustments to long-lived assets in any of the years presented. In accordance with SFAS No.142, Goodwill and Other Intangible Assets, the Company tests goodwill, if any, for impairment at least annually, or more frequently if events or changes in circumstances indicate that this asset may be impaired.

SFAS No.142 also requires that intangible assets with definite lives be amortized over their estimated useful lives and reviewed for impairment whenever events or changes in circumstances indicate an asset's carrying value may not be reasonable in accordance with SFAS No.144, accounting for the impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of.

Legal Costs

Legal costs are expensed as incurred.

Gains on Real Estate Sales

Gains on disposition of properties are recognized using the full accrual method in accordance with the provisions of SFAS No.66, accounting for Real Estate Sales, provided that various criteria relating to the terms of sale and any subsequent involvement by the Company with the properties sold are met.

Advertising and Promotional Expenses

Advertising and promotional costs are expensed as incurred.

Stock-based Compensation

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 123 (revised 2004) come on Share-based Payment ("SFAS 123R") and that addresses the accounting for share-based payment transactions in which an enterprise receives employee services in exchange for equity instruments of the enterprise or liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments. SFAS 123R eliminates the ability to account for share-based compensation transactions using the intrinsic value method under Accounting Principles Board Opinion No.25, Accounting for Stock Issued to Employees ("APB 25"), and it generally requires instead that such transactions be accounted for using a fair-value-based method.

Liquidity

As Shown in the Accompanying Financial Statements, the Company has incurred a net loss of \$74,304 during the year ended December 31, 2008 and a cumulative loss of since inception of \$3,815,571 (February 3, 1998).

Litigation

The Company may be subject to various claims and painting or threatened lawsuits in the normal course of business. Management believes that the outcome of any such lawsuits would not have a materially adverse effect on the Company's financial position, results of operations or cash flows.

Note B – Commitments and Contingencies

Operating Leases

The Company polices corporate office space on a month to month basis under an operating lease agreement. The Company pays a portion of the related operating expenses under this lease agreement in addition to the basic monthly rental. Rent expense under this lease is expensed as incurred monthly at the rate of approximately \$580 beginning January 1, 2007.

At December 31, 2008, future minimum payments under operating leases are as follows for the next five years and a thereafter:

Lease Expense	Amount
2009	\$ 6,960
2010	\$ 6,960
2011	\$ 6,960
2012	\$ 0
Total	\$ 20,880

Note C – Loans and Notes Payable

Long-term debt consists of the following at December 31, 2008:

Description	Origination	Amount
Debt Note for Services	12/20/06	\$ 33,053
Total Loans		\$ 33,053

Note D – 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 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 December 31, 2008, the Company has available for federal income tax purposes a net operating loss carry forward from continuing operations of approximately \$3,815,571. Such losses may not be fully deductible is due to the significant amounts of non-Cash service costs in the change in ownership rules Under Section 382 of the Internal Revenue Code. The Company has established a valuation allowance

for the full tax benefit of the operating loss carryovers due to the uncertainty regarding realization. There is no tax benefit recorded due to this allowance as of December 31, 2008.

Note E – 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 since inception through December 31, 2008, the Company incurred a loss from operations of \$3,815,571 however, has not maintain profitable operations under its current operation 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 management's ability to develop profitable operations. Management anticipates the Company will attain profitable status and improve its liquidity to the continued developing, marketing and selling of its products in additional equity investment 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. 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 action will result in profitable operation or the resolution of its liquidity problems.

Note F – Net Income (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.

Note G – Shareholders' Equity

Preferred Stock

Currently, there are two classes of preferred stock which have been authorized by the Company as follows:

"Class A"

As of December 31, 2008, the Company privately authorized and issued 5 million shares of class "A." preferred stock, \$0.001 par value. The Preferred Shares are to be convertible at any time by the holder into Common Shares at a conversion ratio of 2:1 fully paid and non-assessable, non-voting shares of the Company's common stock, subject to the law provisions.

"Class C"

As of December 31, 2008, there are 5 million authorized and 16,000 shares issued of class "C" preferred stock, \$0.001 par value. The Preferred Shares have a conversion feature that these shares may be converted into shares of the Company's common stock on the basis of 10 shares of common stock for one share of preferred stock. In addition, the shares of preferred stock are callable two years from the date of issuance, but before three years from the date of issuance at a retention rate of 110% of the liquidation value. Accordingly, the liquidation value is stated at \$3.00 per share of preferred stock.

Common Stock

The authorized capital stock of the Company includes 800,000,000 shares of common stock, par value \$0.001 per share. The holders of the shares: (a) have equal ratable rights to dividends from funds legally available and therefore, when, as, and if declared by the Board of Directors of the Company; (b) are entitled to share ratably in all of the assets of the Company available for distribution upon winding up of the affairs of the Company; and (c) are entitled to one non-cumulative vote per share on all matters on which shareholders may vote at all meetings of shareholders. These securities do not have any of the following rights: (a) cumulative or special voting rights; (b) preemptive rights to purchase new issues of shares; (c) preference as to dividends or interest; (d) preference upon liquidation; or (e) any other special rights or preferences. In addition, the shares are not convertible into any other security. There are no restrictions on dividends under any loan, other financing agreements or otherwise. As of December 31, 2008, the Company had 26,146,389 shares of common stock issued and outstanding.

Dividends

The Company does not currently intend to pay cash dividends. Because the Company does not intend to make cash distributions, potential shareholders would need to sell their shares to realize a return on their investment. There can be no assurances of the projected values of the shares, nor can there be any guarantees of the success of the Company.

A distribution of revenues will be made only when, in the judgment of the Company's board of directors, is in the best interest of the Company's stockholders to do so. The board of directors will review, among other things, the financial status of the Company and any future cash needs of the Company in making its decision.

Description of equity transactions:

As of the year ended December 31, 2008:

- i. There are 800,000,000 shares of common stock authorized with \$0.001 par value.

There are 5,000,000 preferred Series A stock authorized with \$0.001 par value. There are 5,000,000 Series C stock authorized with \$0.001 par value

- ii. There are 26,149,389 shares of Common Stock issued and outstanding.

There are 5,000,000 preferred Series A stock issued and outstanding

There are 16,000 preferred Series C stock issued and outstanding

- iii. There are approximately 37,651 shares freely tradable.

- iv. The Company has approximately 212 beneficial shareholders.

- v. The Company has approximately 212 shareholders of record.

Notes:

6. In January 2008 the Company authorized a rollback of its common shares of 5,000 to 1.
7. In July 2006 the Company issued 26,000,000 shares of the Company's common stock in consideration for services rendered.

As of the year ended December 31, 2007:

- i. There are 800,000,000 shares of common stock authorized with \$0.001 par value.

There are 5,000,000 preferred Series A stock authorized with \$0.001 par value. There are 5,000,000 Series C stock authorized with \$0.001 par value
- ii. There are 731,370,160 shares of Common Stock issued and outstanding.

There are 5,000,000 preferred Series A stock issued and outstanding

There are 16,000 preferred Series C stock issued and outstanding
- iii. There were approximately 188,255,000 shares freely tradable.
- iv. The Company has approximately 212 beneficial shareholders.
- v. The Company has approximately 212 shareholders of record.

Notes:

1. In December, 2006 the Company acquired 90% of the Orpheus Capital, LLC in a stock for stock exchange by issuing 116,239,536 Common Stock Shares at par or \$0.001.
2. In December, 2006 the Company purchased 100% of Everlert Communications, Inc.(a California corporation) in a stock for stock exchange by issuing 77,493,024 Common Stock.
3. In June 2007 the Company issued 203,482,560 shares of the Company's Common stock for professional services to Company executives and consultants in consideration for services rendered.
4. In August 2007 the Company issued 5,000,000 shares of the Company's Class "A" Preferred stock and 105,000,000 shares of the Company's common stock in consideration for services rendered.
5. In October 2007 the Company issued 100,000,000 shares of the Company's Common stock in consideration for services rendered.

CERTIFICATION

I, Robert L. Hymers III, President and Chief Executive Officer of Everlert, Inc., hereby certifies that the un-audited financial statements and related footnotes hereto present fairly, in all material respects, the financial position of Everlert, Inc. and the results of its operations and cash flows as of and for the year ending December 31, 2012, in conformity with accounting principles generally accepted in the United States, consistently applied.

A handwritten signature in black ink, appearing to read "R. L. Hymers III".

February 1, 2013

EVERLERT, INC.

Robert L. Hymers III, President

I, W. Lee Davidson, Secretary and Treasurer of Everlert, Inc., hereby certifies that the un-audited financial statements and related footnotes hereto present fairly, in all material respects, the financial position of Everlert, Inc. and the results of its operations and cash flows as of and for the year ending December 31, 2012, in conformity with accounting principles generally accepted in the United States, consistently applied.

A handwritten signature in black ink, appearing to read "W. Lee Davidson".

February 1, 2013

EVERLERT, INC.

W. Lee Davidson, Secretary/ Treasurer

Everlert, Inc.

Consolidated Financial Statements (Unaudited)

**Footnotes to the Financial Statements
From Inception (February 3, 1998) to December 31, 2009
(Stated in US Dollars)**

**825 S. Primrose Ave., Suite A
Monrovia, CA 91016
Phone: 877-224-0217
Fax: 626-513-8816**

**OTCPK: EVLI
(CUSIP: 300362 10 0)**

EVERLERT, INC.
Balance Sheet
(Stated in US Dollars)

	Year Ended 12/31/09 (Unaudited)	Year Ended 12/31/08 (Unaudited)
ASSETS		
Current Assets:		
Cash and Equivalents	\$ 4,229	\$ 3,465
Inventory - Real Property Held for Sale	\$ -	\$ -
Other Current Assets	\$ 37,000	\$ 54,124
Loans Receivable	\$ 50,000	\$ 50,000
Total Current Assets	\$ 91,229	\$ 107,589
Other Assets		
Investment in Land	\$ 111,567	\$ 111,567
Notes Receivable - Long Term	\$ 109,620	\$ 101,500
Goodwill	\$ 77,493	\$ 77,493
Total Other Assets	\$ 298,680	\$ 290,560
Total Assets	\$ 389,909	\$ 398,149
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 19,026	\$ 12,776
Notes Payable - Current Portion	\$ -	\$ -
Total Current Liabilities	\$ 19,026	\$ 12,776
Long-Term Liabilities:		
Other Unsecured Long-Term Notes	\$ 57,844	\$ 33,053
Total Long-Term Liabilities	\$ 57,844	\$ 33,053
Total Liabilities	\$ 76,870	\$ 45,829
Stockholders' Deficit:		
Preferred Stock, Class "A", par value \$0.001, 5,000,000 shares authorized, 5,000,000 issued or outstanding.	\$ 5,000	\$ 5,000
Preferred Stock, Class "C", par value \$0.001, 5,000,000 shares authorized, 16,000 shares issued and outstanding	\$ 16	\$ 16
Common Stock, 800,000,000 shares authorized; par value \$0.001 per share; 689,162,461 shares issued and outstanding	\$ 26,146	\$ 26,146
Additional Paid -In Capital	\$ 4,136,729	\$ 4,136,729
Retained Profit (Deficit)	\$ (3,854,852)	\$ (3,815,571)
Total Stockholders' Deficit	\$ 313,039	\$ 352,320
Total Liabilities and Stockholders' Deficit	\$ 389,909	\$ 398,149

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

EVERLERT, INC.
Income Statement
(A Development Stage Company)
(Stated in US Dollars)
(Unaudited)

	Year Ended 12/31/09	Year Ended 12/31/08
Net Revenue	\$ -	\$ -
Operating Expenses:		
Consulting Services Expense	\$ 28,750	\$ 26,000
General and Administrative	\$ 8,240	\$ 46,800
Total Operating Expenses	<u>\$ 36,990</u>	<u>\$ 72,800</u>
Operating Income (Loss)	\$ (36,990)	\$ (72,800)
Other Income (Expense):		
Interest Expense	<u>\$ (2,291)</u>	<u>\$ (1,504)</u>
Total other Income (Expense)	<u>\$ (2,291)</u>	<u>\$ (1,504)</u>
Net Income (Loss)	<u><u>\$ (39,281)</u></u>	<u><u>\$ (74,304)</u></u>
Basic Loss per Common Share	\$ (0.002)	\$ (0.003)
Weighted Average Number of Common Shares	26,146,389	26,146,389

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

EVERLERT, INC.
Statement of Cash Flows
(A Development Stage Company)
(Stated in US Dollars)
(Unaudited)

	Year Ended 12/31/09	Year Ended 12/31/08
<u>Operating Activities</u>		
Net Income (loss)	\$ (39,281)	\$ (74,304)
<i>Changes in operating assets and liabilities</i>		
Increase (Decrease) in Accounts Payable	\$ 6,250	\$ 2,000
(Increase) Decrease in Other Current Assets	\$ 17,124	\$ 135,196
Increase (Decrease) in Unsecured Notes	\$ 24,791	\$ 1,504
(Increase) Decrease in Inventory RE	\$ -	\$ (96,827)
Net cash used in operating activities	\$ 8,884	\$ (32,431)
<u>Investing Activities</u>		
Issuance of Notes Receivable	\$ 8,120	\$ -
Net cash used in investing activities	\$ 8,120	\$ -
<u>Financing Activities</u>		
Shares Issued - Treasury (144)	\$ -	\$ 26,000
Net Cash provided by financing activities	\$ -	\$ 26,000
 Cash at beginning of period	 \$ 3,465	 \$ 9,897
Cash at end of period	<u><u>\$ 4,229</u></u>	<u><u>\$ 3,466</u></u>

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

EVERLERT, INC.
STATEMENTS OF STOCKHOLDER'S EQUITY
From Inception (February 3, 1998) to Dec 31, 2009
(A Development Stage Company)
(Unaudited) (Stated in US Dollars)

	Preferred Stock		Common Stock		Paid in	Accumulated	Total
	Shares	Amount	Shares	Amount	Capital	Deficit	Equity
Balance, December 31, 2005	16,000	\$ 16	129,155,040	\$ 129,155	\$ 3,405,505	\$ (3,564,676)	\$ (30,000)
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Shares Issued - (see note 5)			100,000,000	\$ 100,000			\$ 100,000
Net Loss						\$ (176,549)	\$ (176,549)
Balance, December 31, 2007	5,016,000	\$ 5,016	731,370,160	\$ 731,370	\$ 3,405,505	\$ (3,741,267)	\$ 400,624
REVERSE SPLIT: 1:5000 (see note 6)			146,389	\$ 146	\$ 731,224		\$ -
Shares Issued - (see note 7)			26,000,000	\$ 26,000			\$ 26,000
Net Loss						\$ (74,304)	\$ (74,304)
Balance, December 31, 2008	5,016,000	\$ 5,016	26,146,389	\$ 26,146	\$ 4,136,729	\$ (3,815,571)	\$ 352,320
Net Loss						\$ (39,281)	\$ (39,281)
Balance, December 31, 2009	5,016,000	\$ 5,016	26,146,389	\$ 26,146	\$ 4,136,729	\$ (3,854,852)	\$ 313,039

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

Note A - Nature of Business and Summary of Significant Accounting Policies

The Company

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Everlert, Inc. is a development stage Company engaged in the acquisition, management and disposition of commercial and residential properties for the purpose of making improvements and/or add-ons, when one in which enhance the property, and creates additional value. (Other OTC: EVLIPK) The Company's business address is 895 Dove St, Suite 300, Newport Beach, CA 92660 USA. The Company conducts its business primarily through Orpheus Capital, LLC (and the "Operating Partnership"), a California Limited Liability Company in which the Company held a 90% partnership interest as of December 31, 2009.

The Company, through its subsidiary, Orpheus Capital, LLC described above, as of December 31, 2009, owns or controls approximately 27 properties comprised primarily of undeveloped land and notes receivable as noted in the following schedules:

The Properties are concentrated in the following market areas:

Market Area	Type of Property	<i>Number</i>
Arizona	Land	11
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Total		27

The notes receivable are in the following market areas and carry terms of 3 years from origination. Interest is payable only until maturity when the principal balances are due and payable:

Market Area	Type of Property	Number	Annual Interest Rate	Note Principal Balance
California	Note Receivable	1	7%	\$ 101,500
Total		<u>1</u>		<u>\$ 101,500</u>

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

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As of December 31, 2009, the Company is a development stage Company. The amount of accumulated deficit from inception (February 3, 1998) through December 31, 2009 is 3,854,852. SFAS 7 defines a development stage enterprise as a Company that:

- Devote substantially all its efforts to establishing a new business and has not begun planned principal operations; or
- Has begun operations, but has not generated significant revenue.

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its 90% owned subsidiary, Orpheus Capital, LLC, a California LLC. All significant inter-company transactions have been eliminated in consolidation.

The Company's mergers and acquisitions were accounted for as purchases in accordance with either Accounting Principles Board ("APB") Opinion No. 16, Business Combinations, or SFAS No. 141, Business Combinations. SFAS No. 141 requires all business combinations initiated after June 30, 2001 to be accounted for under the purchase method of accounting. The fair value of the consideration given by the Company in the mergers was used as the valuation basis for each of the combinations. The accompanying consolidated statements of operation and cash flows include the results of the properties purchased through the mergers and acquisitions from their respective closing dates.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in the United States requires management to make estimates and assumptions that affect amounts reported and disclosed in the financial statements and the accompanying notes. Actual results could differ materially from these estimates. On an ongoing basis, we expect to evaluate our estimates, including

those related to the accounts receivable, the accounts payable and sales allowances, fair values of marketable and non-marketable securities, fair values of intangible assets and goodwill, useful lives of intangible assets, property and equipment, fair values of options to purchase our common stock, and income taxes, among others. We expect to base our estimates on historical experience and on various other assumptions that are believed to be reasonable, and the results of which form the basis for making judgments about the carrying values of assets and liabilities.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts or revenues and expenses during the reporting period. Actual results could differ materially from those estimates. Significant accounting policies and estimates underlying the accompanying financial statements include:

It is reasonably possible that the estimates may change in the future.

Fair Value of Financial Instruments

The carrying amounts of our financial instruments, including cash and cash equivalents, marketable securities, Accounts Receivable, Accounts Payable and accrued liabilities, approximate fair value because of their generally short maturities.

Cash and Cash Equivalents and Marketable Securities

We invest our excess cash in money market funds and in highly liquid debt instruments of U.S. municipalities, corporations and the US government and its agencies. All highly liquid investments with stated maturities of three months or less from date of purchase are classified as cash equivalents; all highly liquid investments with stated maturities of greater than three months are classified as marketable securities.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements, if any, are amortized over the shorter of the lease term or the estimated useful lives of the assets. Depreciation for equipment commences once it is placed in service and depreciation for buildings and leasehold improvements commences once they are ready for their intended use.

Depreciation

Properties, when utilized by the Company and not held for sale and recognized and recorded, are expected to be depreciated using a straight-line method over the estimated useful lives of the assets as follows:

Land improvements	3-20 years
Buildings and improvements	3-14 years
Furniture, fixtures and equipment	5-10 years
Computer software	5 years

Long-Lived to Assets Including Goodwill and Other Acquired Intangible Assets

The Company reviews property and equipment and intangible assets, excluding goodwill, for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of these assets is measured by comparison of carrying amounts to the future on discounted cash flows the assets are expected to generate. If property and equipment and intangible assets are considered to be impaired, the impairment to be recognized equals the amount by which the carrying value of the asset exceeds its fair market value. The Company has made no adjustments to long-lived assets in any of the years presented. In accordance with SFAS No.142, Goodwill and Other Intangible Assets, the Company tests goodwill, if any, for impairment at least annually, or more frequently if events or changes in circumstances indicate that this asset may be impaired.

SFAS No.142 also requires that intangible assets with definite lives be amortized over their estimated useful lives and reviewed for impairment whenever events or changes in circumstances indicate an asset's carrying value may not be reasonable in accordance with SFAS No.144, accounting for the impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of.

Legal Costs

Legal costs are expensed as incurred.

Gains on Real Estate Sales

Gains on disposition of properties are recognized using the full accrual method in accordance with the provisions of SFAS No.66, accounting for Real Estate Sales, provided that various criteria relating to the terms of sale and any subsequent involvement by the Company with the properties sold are met.

Advertising and Promotional Expenses

Advertising and promotional costs are expensed as incurred.

Stock-based Compensation

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 123 (revised 2004) come on Share-based Payment ("SFAS 123R") and that addresses the accounting for share-based payment transactions in which an enterprise receives employee services in exchange for equity instruments of the enterprise or liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments. SFAS 123R eliminates the ability to account for share-based compensation transactions using the intrinsic value method under Accounting Principles Board Opinion No.25, Accounting for Stock Issued to Employees ("APB 25"), and it generally requires instead that such transactions be accounted for using a fair-value-based method.

Liquidity

As Shown in the Accompanying Financial Statements, the Company has incurred a net loss of \$39,281 during the year ended December 31, 2009 and a cumulative loss of since inception of \$3,8854,852 (February 3, 1998).

Litigation

The Company may be subject to various claims and painting or threatened lawsuits in the normal course of business. Management believes that the outcome of any such lawsuits would not have a materially adverse effect on the Company's financial position, results of operations or cash flows.

Note B – Commitments and Contingencies

Operating Leases

The Company polices corporate office space on a month to month basis under an operating lease agreement. The Company pays a portion of the related operating expenses under this lease agreement in addition to the basic monthly rental. Rent expense under this lease is expensed as incurred monthly at the rate of approximately \$580 beginning January 1, 2007.

At December 31, 2009, future minimum payments under operating leases are as follows for the next five years and a thereafter:

<u>Lease Expense</u>	<u>Amount</u>
2010	\$ 6,960
2011	\$ 6,960
2012	\$ 0
2010	\$ 0
Total	\$ 13,920

Note C – Loans and Notes Payable

Long-term debt consists of the following at December 31, 2009:

<u>Description</u>	<u>Origination</u>	<u>Amount</u>
Debt Note for Services	12/20/06	\$ 34,553
Debt Note for Services	8/31/09	\$ 23,291
Total Loans		<u>\$ 57,844</u>

Note D – 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 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 December 31, 2009, the Company has available for federal income tax purposes a net operating loss carry forward from continuing operations of approximately \$3,854,852. Such losses may not be fully

deductible is due to the significant amounts of non-Cash service costs in the change in ownership rules Under Section 382 of the Internal Revenue Code. The Company has established a valuation allowance for the full tax benefit of the operating loss carryovers due to the uncertainty regarding realization. There is no tax benefit recorded due to this allowance as of December 31, 2009.

Note E – 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 since inception through December 31, 2009, the Company incurred a loss from operations of \$3,854,852 however, has not maintain profitable operations under its current operation 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 management's ability to develop profitable operations. Management anticipates the Company will attain profitable status and improve its liquidity to the continued developing, marketing and selling of its products in additional equity investment 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. 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 action will result in profitable operation or the resolution of its liquidity problems.

Note F – Net Income (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.

Note G – Shareholders' Equity

Preferred Stock

Currently, there are two classes of preferred stock which have been authorized by the Company as follows:

"Class A"

As of December 31, 2009, the Company privately authorized and issued 5 million shares of class "A." preferred stock, \$0.001 par value. The Preferred Shares are to be convertible at any time by the holder into Common Shares at a conversion ratio of 2:1 fully paid and non-assessable, non-voting shares of the Company's common stock, subject to the law provisions.

"Class C"

As of December 31, 2009, there are 5 million authorized and 16,000 shares issued of class "C" preferred stock, \$0.001 par value. The Preferred Shares have a conversion feature that these shares may be converted into shares of the Company's common stock on the basis of 10 shares of common stock for one share of preferred stock. In addition, the shares of preferred stock are callable two years from the date of issuance, but before three years from the date of issuance at a retention rate of 110% of the liquidation value. Accordingly, the liquidation value is stated at \$3.00 per share of preferred stock.

Common Stock

The authorized capital stock of the Company includes 800,000,000 shares of common stock, par value \$0.001 per share. The holders of the shares: (a) have equal ratable rights to dividends from funds legally available and therefore, when, as, and if declared by the Board of Directors of the Company; (b) are entitled to share ratably in all of the assets of the Company available for distribution upon winding up of the affairs of the Company; and (c) are entitled to one non-cumulative vote per share on all matters on which shareholders may vote at all meetings of shareholders. These securities do not have any of the following rights: (a) cumulative or special voting rights; (b) preemptive rights to purchase new issues of shares; (c) preference as to dividends or interest; (d) preference upon liquidation; or (e) any other special rights or preferences. In addition, the shares are not convertible into any other security. There are no restrictions on dividends under any loan, other financing agreements or otherwise. As of December 31, 2009, the Company had 26,146,389 shares of common stock issued and outstanding.

Dividends

The Company does not currently intend to pay cash dividends. Because the Company does not intend to make cash distributions, potential shareholders would need to sell their shares to realize a return on their investment. There can be no assurances of the projected values of the shares, nor can there be any guarantees of the success of the Company.

A distribution of revenues will be made only when, in the judgment of the Company's board of directors, is in the best interest of the Company's stockholders to do so. The board of directors will review, among other things, the financial status of the Company and any future cash needs of the Company in making its decision.

Description of equity transactions:

As of the year ended December 31, 2009:

- i. There are 800,000,000 shares of common stock authorized with \$0.001 par value.

There are 5,000,000 preferred Series A stock authorized with \$0.001 par value. There are 5,000,000 Series C stock authorized with \$0.001 par value

- ii. There are 26,149,389 shares of Common Stock issued and outstanding.

There are 5,000,000 preferred Series A stock issued and outstanding

There are 16,000 preferred Series C stock issued and outstanding

- iii. There are approximately 37,651 shares freely tradable.

- iv. The Company has approximately 212 beneficial shareholders.

- v. The Company has approximately 212 shareholders of record.

As of the year ended December 31, 2008:

- i. There are 800,000,000 shares of common stock authorized with \$0.001 par value.

There are 5,000,000 preferred Series A stock authorized with \$0.001 par value. There are 5,000,000 Series C stock authorized with \$0.001 par value
- ii. There are 26,149,389 shares of Common Stock issued and outstanding.

There are 5,000,000 preferred Series A stock issued and outstanding

There are 16,000 preferred Series C stock issued and outstanding
- iii. There are approximately 37,651 shares freely tradable.
- iv. The Company has approximately 212 beneficial shareholders.
- v. The Company has approximately 212 shareholders of record.

Notes:

- 6. In January 2008 the Company authorized a rollback of its common shares of 5,000 to 1.
- 7. In July 2006 the Company issued 26,000,000 shares of the Company's common stock in consideration for services rendered.

As of the year ended December 31, 2007:

- i. There are 800,000,000 shares of common stock authorized with \$0.001 par value.

There are 5,000,000 preferred Series A stock authorized with \$0.001 par value. There are 5,000,000 Series C stock authorized with \$0.001 par value
- ii. There are 731,370,160 shares of Common Stock issued and outstanding.

There are 5,000,000 preferred Series A stock issued and outstanding

There are 16,000 preferred Series C stock issued and outstanding
- iii. There were approximately 188,255,000 shares freely tradable.
- iv. The Company has approximately 212 beneficial shareholders.
- v. The Company has approximately 212 shareholders of record.

Notes:

1. In December, 2006 the Company acquired 90% of the Orpheus Capital, LLC in a stock or stock exchange by issuing 116,239,536 Common Stock Shares at par or \$0.001.
2. In December, 2006 the Company purchased 100% of Everlert Communications, Inc.(a California corporation) in a stock for stock exchange by issuing 77,493,024 Common Stock.
3. In June 2007 the Company issued 203,482,560 shares of the Company's Common stock for professional services to Company executives and consultants in consideration for services rendered.
4. In August 2007 the Company issued 5,000,000 shares of the Company's Class "A" Preferred stock and 105,000,000 shares of the Company's common stock in consideration for services rendered.
5. In October 2007 the Company issued 100,000,000 shares of the Company's Common stock in consideration for services rendered.

CERTIFICATION

I, Robert L. Hymers III, President and Chief Executive Officer of Everlert, Inc., hereby certifies that the un-audited financial statements and related footnotes hereto present fairly, in all material respects, the financial position of Everlert, Inc. and the results of its operations and cash flows as of and for the year ending December 31, 2012, in conformity with accounting principles generally accepted in the United States, consistently applied.

A handwritten signature in black ink, appearing to read "R. L. Hymers III".

February 1, 2013

EVERLERT, INC.

Robert L. Hymers III, President

I, W. Lee Davidson, Secretary and Treasurer of Everlert, Inc., hereby certifies that the un-audited financial statements and related footnotes hereto present fairly, in all material respects, the financial position of Everlert, Inc. and the results of its operations and cash flows as of and for the year ending December 31, 2012, in conformity with accounting principles generally accepted in the United States, consistently applied.

A handwritten signature in black ink, appearing to read "W. Lee Davidson".

February 1, 2013

EVERLERT, INC.

W. Lee Davidson, Secretary/ Treasurer

Everlert, Inc.

Consolidated Financial Statements (Unaudited)

**Footnotes to the Financial Statements
From Inception (February 3, 1998) to December 31, 2010
(Stated in US Dollars)**

**825 S. Primrose Ave., Suite A
Monrovia, CA 91016
Phone: 877-224-0217
Fax: 626-513-8816**

**OTCPK: EVLI
(CUSIP: 300362 10 0)**

EVERLERT, INC.
Balance Sheet
(A Development Stage Company)
(Stated in US Dollars)

	Year Ended 12/31/10 (Unaudited)	Year Ended 12/31/09 (Unaudited)
ASSETS		
Current Assets:		
Cash and Equivalents	\$ 1,923	\$ 4,229
Inventory - Real Property Held for Sale	\$ -	\$ -
Other Current Assets	\$ 28,200	\$ 37,000
Loans Receivable	\$ -	\$ 50,000
Total Current Assets	\$ 30,123	\$ 91,229
Other Assets		
Investment in Land	\$ 110,167	\$ 111,567
Notes Receivable - Long Term	\$ -	\$ 109,620
Goodwill	\$ -	\$ 77,493
Total Other Assets	\$ 110,167	\$ 298,680
Total Assets	\$ 140,290	\$ 389,909
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 12,776	\$ 19,026
Notes Payable - Current Portion	\$ -	\$ -
Total Current Liabilities	\$ 12,776	\$ 19,026
Long-Term Liabilities:		
Other Unsecured Long-Term Notes	\$ 89,369	\$ 57,844
Total Long-Term Liabilities	\$ 89,369	\$ 57,844
Total Liabilities	\$ 102,145	\$ 76,870
Stockholders' Deficit:		
Preferred Stock, Class "A", par value \$0.001, 5,000,000 shares authorized, 5,000,000 issued or outstanding.	\$ 5,000	\$ 5,000
Preferred Stock, Class "C", par value \$0.001, 5,000,000 shares authorized, 16,000 shares issued and outstanding	\$ 16	\$ 16
Common Stock, 800,000,000 shares authorized; par value \$0.001 per share; 689,162,461 shares issued and outstanding	\$ 26,146	\$ 26,146
Additional Paid -In Capital	\$ 4,136,729	\$ 4,136,729
Retained Profit (Deficit)	\$ (4,129,746)	\$ (3,854,852)
Total Stockholders' Deficit	\$ 38,146	\$ 313,039
Total Liabilities and Stockholders' Deficit	\$ 140,290	\$ 389,909

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

EVERLERT, INC.
Income Statement
(A Development Stage Company)
(Stated in US Dollars)
(Unaudited)

	Year Ended 12/31/10	Year Ended 12/31/09
Net Revenue	\$ -	\$ -
Operating Expenses:		
Consulting Services Expense	\$ 18,750	\$ 28,750
General and Administrative	\$ 9,857	\$ 8,240
Total Operating Expenses	<u>\$ 28,607</u>	<u>\$ 36,990</u>
Operating Income (Loss)	\$ (28,607)	\$ (36,990)
Other Income (Expense):		
Interest Expense	\$ (6,524)	\$ (2,291)
Write off of Uncollectable Receivables/Notes	\$ (159,620)	\$ -
Loss on Disposal of Land	\$ (1,400)	\$ -
Impairment of Goodwill	\$ (77,493)	\$ -
Other loss	\$ (1,249)	\$ -
Total other Income (Expense)	<u>\$ (246,286)</u>	<u>\$ (2,291)</u>
Net Income (Loss)	<u><u>\$ (274,893)</u></u>	<u><u>\$ (39,281)</u></u>
Basic Loss per Common Share	\$ (0.011)	\$ (0.002)
Weighted Average Number of Common Shares	26,146,389	26,146,389

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

EVERLERT, INC.
Statement of Cash Flows
(A Development Stage Company)
(Stated in US Dollars)
(Unaudited)

	Year Ended 12/31/10	Year Ended 12/31/09
<u>Operating Activities</u>		
Net Income (loss)	\$ (274,893)	\$ (39,281)
<i>Changes in operating assets and liabilities</i>		
Increase (Decrease) in Accounts Payable	\$ (6,250)	\$ 6,250
(Increase) Decrease in Other Current Assets	\$ 8,800	\$ 17,124
Increase (Decrease) in Unsecured Notes	\$ 31,524	\$ 24,791
Impairment of Goodwill	\$ 77,493	\$ -
(Increase) Decrease in Inventory RE	\$ 1,400	\$ -
Net cash used in operating activities	\$ (161,926)	\$ 8,884
<u>Investing Activities</u>		
Issuance of Notes Receivable	\$ -	\$ 8,120
Loan Receivable Write Off	\$ 159,620	\$ -
Net cash used in investing activities	\$ 159,620	\$ 8,120
<u>Financing Activities</u>		
Net Cash provided by financing activities	\$ -	\$ -
Cash at beginning of period	\$ 4,229	\$ 3,465
Cash at end of period	<u>\$ 1,923</u>	<u>\$ 4,229</u>

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

EVERLERT, INC.
STATEMENTS OF STOCKHOLDER'S EQUITY
From Inception (February 3, 1998) to Dec 31, 2010
(A Development Stage Company)
(Unaudited) (Stated in US Dollars)

	Preferred Stock		Common Stock		Paid in	Accumulated	Total
	Shares	Amount	Shares	Amount	Capital	Deficit	Equity
Balance, December 31, 2005	16,000	\$ 16	129,155,040	\$ 129,155	\$ 3,405,505	\$ (3,564,676)	\$ (30,000)
Share Exchange (see note 1)			116,239,536	\$ 116,240			\$ 116,240
Share Exchange (see note 2)			77,493,024	\$ 77,493			\$ 77,493
Net Loss						\$ (42)	\$ (42)
Balance, December 31, 2006	16,000	\$ 16	322,887,600	\$ 322,888	\$ 3,405,505	\$ (3,564,718)	\$ 163,691
Shares Issued - (see note 3)			203,482,560	\$ 203,483			\$ 203,483
Shares Issued - (see note 4)	5,000,000	\$ 5,000	105,000,000	\$ 105,000			\$ 110,000
Shares Issued - (see note 5)			100,000,000	\$ 100,000			\$ 100,000
Net Loss						\$ (176,549)	\$ (176,549)
Balance, December 31, 2007	5,016,000	\$ 5,016	731,370,160	\$ 731,370	\$ 3,405,505	\$ (3,741,267)	\$ 400,624
REVERSE SPLIT: 1:5000 (see note 6)			146,389	\$ 146	\$ 731,224		\$ -
Shares Issued - (see note 7)			26,000,000	\$ 26,000			\$ 26,000
Net Loss						\$ (74,304)	\$ (74,304)
Balance, December 31, 2008	5,016,000	\$ 5,016	26,146,389	\$ 26,146	\$ 4,136,729	\$ (3,815,571)	\$ 352,320
Net Loss						\$ (39,281)	\$ (39,281)
Balance, December 31, 2009	5,016,000	\$ 5,016	26,146,389	\$ 26,146	\$ 4,136,729	\$ (3,854,852)	\$ 313,039
Net Loss						\$ (274,893)	\$ (274,893)
Balance, December 31, 2010	5,016,000	\$ 5,016	26,146,389	\$ 26,146	\$ 4,136,729	\$ (4,129,746)	\$ 38,146

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

Note A - Nature of Business and Summary of Significant Accounting Policies

The Company

Everlert, Inc. (hereinafter referred to as the "Company") is a publicly traded real estate acquisition and management company whose focus is on the purchase and sale of real estate. Properties acquired come from those parties who wish to market their real estate for various reasons. The Company is actively engaged in the acquisition, enhancement, and disposition of real estate.

Everlert, Inc. is a development stage Company engaged in the acquisition, management and disposition of commercial and residential properties for the purpose of making improvements and/or add-ons, when one in which enhance the property, and creates additional value. (Other OTC: EVLI.PK) The Company's business address is 895 Dove St, Suite 300, Newport Beach, CA 92660 USA. The Company conducts its business primarily through Orpheus Capital, LLC (and the "Operating Partnership"), a California Limited Liability Company in which the Company held a 90% partnership interest as of December 31, 2010.

The Company, through its subsidiary, Orpheus Capital, LLC described above, as of December 31, 2010, owns or controls approximately 26 properties comprised primarily of undeveloped land as noted in the following schedule:

The Properties are concentrated in the following market areas:

Market Area	Type of Property	<i>Number</i>
Arizona	Land	11
California	Land	12
Colorado	Land	3
Total		26

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

Nature of Operations

Everlert, Inc., a Nevada corporation ("registrant"), was originally incorporated on February 3, 1998, and has adopted a December 31 year-end. In February 1998, the articles of incorporation were amended to add to the authorized shares 5 million shares of preferred stock and increase the authorized common stock to 50,000,000 shares. In December 2003, the articles of incorporation were amended to increase the number of authorized common shares to 800,000,000. In December 2006, the articles of incorporation were amended to add to the authorized shares 5 million shares of preferred stock designated Series A Preferred.

In December 2006, the Company acquired 90% of Orpheus Capital, LLC in a stock for stock exchange by issuing 116,239,536 Common Stock Shares at par \$0.001 for a total purchase price of \$116,240. The acquisition was accounted for by using the purchase method of accounting and, accordingly, Orpheus

Capital, LLC's results of operation have been included in the consolidated financial statements since the date of acquisition.

As of December 31, 2010, the Company is a development stage Company. The amount of accumulated deficit from inception (February 3, 1998) through December 31, 2010 is 4,129,746. SFAS 7 defines a development stage enterprise as a Company that:

- Devote substantially all its efforts to establishing a new business and has not begun planned principal operations; or
- Has begun operations, but has not generated significant revenue.

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its 90% owned subsidiary, Orpheus Capital, LLC, a California LLC. All significant inter-company transactions have been eliminated in consolidation.

The Company's mergers and acquisitions were accounted for as purchases in accordance with either Accounting Principles Board ("APB") Opinion No. 16, Business Combinations, or SFAS No. 141, Business Combinations. SFAS No. 141 requires all business combinations initiated after June 30, 2001 to be accounted for under the purchase method of accounting. The fair value of the consideration given by the Company in the mergers was used as the valuation basis for each of the combinations. The accompanying consolidated statements of operation and cash flows include the results of the properties purchased through the mergers and acquisitions from their respective closing dates.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in the United States requires management to make estimates and assumptions that affect amounts reported and disclosed in the financial statements and the accompanying notes. Actual results could differ materially from these estimates. On an ongoing basis, we expect to evaluate our estimates, including those related to the accounts receivable, the accounts payable and sales allowances, fair values of marketable and non-marketable securities, fair values of intangible assets and goodwill, useful lives of intangible assets, property and equipment, fair values of options to purchase our common stock, and income taxes, among others. We expect to base our estimates on historical experience and on various other assumptions that are believed to be reasonable, and the results of which form the basis for making judgments about the carrying values of assets and liabilities.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts or revenues and expenses during the reporting period. Actual results could differ materially from those estimates. Significant accounting policies and estimates underlying the accompanying financial statements include:

It is reasonably possible that the estimates may change in the future.

Fair Value of Financial Instruments

The carrying amounts of our financial instruments, including cash and cash equivalents, marketable securities, Accounts Receivable, Accounts Payable and accrued liabilities, approximate fair value because of their generally short maturities.

Cash and Cash Equivalents and Marketable Securities

We invest our excess cash in money market funds and in highly liquid debt instruments of U.S. municipalities, corporations and the US government and its agencies. All highly liquid investments with stated maturities of three months or less from date of purchase are classified as cash equivalents; all highly liquid investments with stated maturities of greater than three months are classified as marketable securities.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements, if any, are amortized over the shorter of the lease term or the estimated useful lives of the assets. Depreciation for equipment commences once it is placed in service and depreciation for buildings and leasehold improvements commences once they are ready for their intended use.

Depreciation

Properties, when utilized by the Company and not held for sale and recognized and recorded, are expected to be depreciated using a straight-line method over the estimated useful lives of the assets as follows:

Land improvements	3-20 years
Buildings and improvements	3-14 years
Furniture, fixtures and equipment	5-10 years
Computer software	5 years

Long-Lived to Assets Including Goodwill and Other Acquired Intangible Assets

The Company reviews property and equipment and intangible assets, excluding goodwill, for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of these assets is measured by comparison of carrying amounts to the future on discounted cash flows the assets are expected to generate. If property and equipment and intangible assets are considered to be impaired, the impairment to be recognized equals the amount by which the carrying value of the asset exceeds its fair market value. The Company has made no adjustments to long-lived assets in any of the years presented. In accordance with SFAS No.142, Goodwill and Other Intangible Assets, the Company tests goodwill, if any, for impairment at least annually, or more frequently if events or changes in circumstances indicate that this asset may be impaired.

SFAS No.142 also requires that intangible assets with definite lives be amortized over their estimated useful lives and reviewed for impairment whenever events or changes in circumstances indicate an asset's

carrying value may not be reasonable in accordance with SFAS No.144, accounting for the impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of.

Legal Costs

Legal costs are expensed as incurred.

Gains on Real Estate Sales

Gains on disposition of properties are recognized using the full accrual method in accordance with the provisions of SFAS No.66, accounting for Real Estate Sales, provided that various criteria relating to the terms of sale and any subsequent involvement by the Company with the properties sold are met.

Advertising and Promotional Expenses

Advertising and promotional costs are expensed as incurred.

Stock-based Compensation

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 123 (revised 2004) come on Share-based Payment ("SFAS 123R") and that addresses the accounting for share-based payment transactions in which an enterprise receives employee services in exchange for equity instruments of the enterprise or liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments. SFAS 123R eliminates the ability to account for share-based compensation transactions using the intrinsic value method under Accounting Principles Board Opinion No.25, Accounting for Stock Issued to Employees ("APB 25"), and it generally requires instead that such transactions be accounted for using a fair-value-based method.

Liquidity

As Shown in the Accompanying Financial Statements, the Company has incurred a net loss of \$274,893 during the year ended December 31, 2010 and a cumulative loss of since inception of \$4,129,746 (February 3, 1998).

Litigation

The Company may be subject to various claims and painting or threatened lawsuits in the normal course of business. Management believes that the outcome of any such lawsuits would not have a materially adverse effect on the Company's financial position, results of operations or cash flows.

Note B – Commitments and Contingencies

Operating Leases

The Company polices corporate office space on a month to month basis under an operating lease agreement. The Company pays a portion of the related operating expenses under this lease agreement in addition to the basic monthly rental. Rent expense under this lease is expensed as incurred monthly at the rate of approximately \$580 beginning January 1, 2007.

At December 31, 2010, future minimum payments under operating leases are as follows for the next five years and a thereafter:

<u>Lease Expense</u>	<u>Amount</u>
2011	\$ 6,960
2012	\$ 0
2013	\$ 0
2014	\$ 0
Total	\$ 6,960

Note C – Loans and Notes Payable

Long-term debt consists of the following at December 31, 2010:

<u>Description</u>	<u>Origination</u>	<u>Amount</u>
Debt Note for Services	12/20/06	\$ 38,032
Debt Note for Services	8/31/09	\$ 25,673
Debt Note for Services	9/30/10	\$ 25,664
Total Loans		<u>\$ 89,369</u>

Note D – 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 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 December 31, 2010, the Company has available for federal income tax purposes a net operating loss carry forward from continuing operations of approximately \$4,129,746. Such losses may not be fully deductible is due to the significant amounts of non-Cash service costs in the change in ownership rules Under Section 382 of the Internal Revenue Code. The Company has established a valuation allowance for the full tax benefit of the operating loss carryovers due to the uncertainty regarding realization. There is no tax benefit recorded due to this allowance as of December 31, 2010.

Note E – 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 since inception through December 31, 2010, the Company incurred a loss from operations of \$4,129,746 however, has not maintain profitable operations under its current operation 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 management's ability to develop profitable operations. Management anticipates the Company will attain profitable status and improve its liquidity to the continued developing, marketing and selling of its products in additional equity investment 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. 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 action will result in profitable operation or the resolution of its liquidity problems.

Note F – Net Income (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.

Note G – Shareholders' Equity

Preferred Stock

Currently, there are two classes of preferred stock which have been authorized by the Company as follows:

"Class A"

As of December 31, 2010, the Company privately authorized and issued 5 million shares of class "A." preferred stock, \$0.001 par value. The Preferred Shares are to be convertible at any time by the holder into Common Shares at a conversion ratio of 2:1 fully paid and non-assessable, non-voting shares of the Company's common stock, subject to the law provisions.

"Class C"

As of December 31, 2010, there are 5 million authorized and 16,000 shares issued of class "C" preferred stock, \$0.001 par value. The Preferred Shares have a conversion feature that these shares may be converted into shares of the Company's common stock on the basis of 10 shares of common stock for one share of preferred stock. In addition, the shares of preferred stock are callable two years from the date of issuance, but before three years from the date of issuance at a retention rate of 110% of the liquidation value. Accordingly, the liquidation value is stated at \$3.00 per share of preferred stock.

Common Stock

The authorized capital stock of the Company includes 800,000,000 shares of common stock, par value \$0.001 per share. The holders of the shares: (a) have equal ratable rights to dividends from funds legally available and therefore, when, as, and if declared by the Board of Directors of the Company; (b) are entitled to share ratably in all of the assets of the Company available for distribution upon winding up of the affairs of the Company; and (c) are entitled to one non-cumulative vote per share on all matters on which shareholders may vote at all meetings of shareholders. These securities do not have any of the following rights: (a) cumulative or special voting rights; (b) preemptive rights to purchase new issues of shares; (c) preference as to dividends or interest; (d) preference upon liquidation; or (e) any other special rights or preferences. In addition, the shares are not convertible into any other security. There are no restrictions on dividends under any loan, other financing agreements or otherwise. As of December 31, 2010, the Company had 26,146,389 shares of common stock issued and outstanding.

Dividends

The Company does not currently intend to pay cash dividends. Because the Company does not intend to make cash distributions, potential shareholders would need to sell their shares to realize a return on their investment. There can be no assurances of the projected values of the shares, nor can there be any guarantees of the success of the Company.

A distribution of revenues will be made only when, in the judgment of the Company's board of directors, is in the best interest of the Company's stockholders to do so. The board of directors will review, among other things, the financial status of the Company and any future cash needs of the Company in making its decision.

Description of equity transactions:

As of the year ended December 31, 2010:

- i. There are 800,000,000 shares of common stock authorized with \$0.001 par value.

There are 5,000,000 preferred Series A stock authorized with \$0.001 par value. There are 5,000,000 Series C stock authorized with \$0.001 par value

- ii. There are 26,149,389 shares of Common Stock issued and outstanding.

There are 5,000,000 preferred Series A stock issued and outstanding

There are 16,000 preferred Series C stock issued and outstanding

- iii. There are approximately 37,651 shares freely tradable.

- iv. The Company has approximately 212 beneficial shareholders.

- v. The Company has approximately 212 shareholders of record.

As of the year ended December 31, 2009:

- i. There are 800,000,000 shares of common stock authorized with \$0.001 par value.

There are 5,000,000 preferred Series A stock authorized with \$0.001 par value. There are 5,000,000 Series C stock authorized with \$0.001 par value
- ii. There are 26,149,389 shares of Common Stock issued and outstanding.

There are 5,000,000 preferred Series A stock issued and outstanding

There are 16,000 preferred Series C stock issued and outstanding
- iii. There were approximately 37,651 shares freely tradable.
- iv. The Company has approximately 212 beneficial shareholders.
- v. The Company has approximately 212 shareholders of record.

As of the year ended December 31, 2008:

- i. There are 800,000,000 shares of common stock authorized with \$0.001 par value.

There are 5,000,000 preferred Series A stock authorized with \$0.001 par value. There are 5,000,000 Series C stock authorized with \$0.001 par value
- ii. There are 26,149,389 shares of Common Stock issued and outstanding.

There are 5,000,000 preferred Series A stock issued and outstanding

There are 16,000 preferred Series C stock issued and outstanding
- iii. There were approximately 37,651 shares freely tradable.
- iv. The Company has approximately 212 beneficial shareholders.
- v. The Company has approximately 212 shareholders of record.

Notes:

- 6. In January 2008 the Company authorized a rollback of its common shares of 5,000 to 1.
- 7. In July 2006 the Company issued 26,000,000 shares of the Company's common stock in consideration for services rendered.

As of the year ended December 31, 2007:

- i. There are 800,000,000 shares of common stock authorized with \$0.001 par value.

There are 5,000,000 preferred Series A stock authorized with \$0.001 par value. There are 5,000,000 Series C stock authorized with \$0.001 par value
- ii. There are 731,370,160 shares of Common Stock issued and outstanding.

There are 5,000,000 preferred Series A stock issued and outstanding

There are 16,000 preferred Series C stock issued and outstanding
- iii. There were approximately 188,255,000 shares freely tradable.
- iv. The Company has approximately 212 beneficial shareholders.
- v. The Company has approximately 212 shareholders of record.

Notes:

- 1. In December, 2006 the Company acquired 90% of the Orpheus Capital, LLC in a stock or stock exchange by issuing 116,239,536 Common Stock Shares at par or \$0.001.
- 2. In December, 2006 the Company purchased 100% of Everlert Communications, Inc.(a California corporation) in a stock for stock exchange by issuing 77,493,024 Common Stock.
- 3. In June 2007 the Company issued 203,482,560 shares of the Company's Common stock for professional services to Company executives and consultants in consideration for services rendered.
- 4. In August 2007 the Company issued 5,000,000 shares of the Company's Class "A" Preferred stock and 105,000,000 shares of the Company's common stock in consideration for services rendered.
- 5. In October 2007 the Company issued 100,000,000 shares of the Company's Common stock in consideration for services rendered.

CERTIFICATION

I, Robert L. Hymers III, President and Chief Executive Officer of Everlert, Inc., hereby certifies that the un-audited financial statements and related footnotes hereto present fairly, in all material respects, the financial position of Everlert, Inc. and the results of its operations and cash flows as of and for the year ending December 31, 2012, in conformity with accounting principles generally accepted in the United States, consistently applied.

A handwritten signature in black ink, appearing to read "R. L. Hymers III".

February 1, 2013

EVERLERT, INC.

Robert L. Hymers III, President

I, W. Lee Davidson, Secretary and Treasurer of Everlert, Inc., hereby certifies that the un-audited financial statements and related footnotes hereto present fairly, in all material respects, the financial position of Everlert, Inc. and the results of its operations and cash flows as of and for the year ending December 31, 2012, in conformity with accounting principles generally accepted in the United States, consistently applied.

A handwritten signature in black ink, appearing to read "W. Lee Davidson".

February 1, 2013

EVERLERT, INC.

W. Lee Davidson, Secretary/ Treasurer

Everlert, Inc.

Consolidated Financial Statements (Unaudited)

**Footnotes to the Financial Statements
From Inception (February 3, 1998) to December 31, 2011
(Stated in US Dollars)**

**825 S. Primrose Ave., Suite A
Monrovia, CA 91016
Phone: 877-224-0217
Fax: 626-513-8816**

**OTCPK: EVLI
(CUSIP: 300362 10 0)**

EVERLERT, INC.
Balance Sheet
(A Development Stage Company)
(Stated in US Dollars)

	Year Ended 12/31/11 <u>(Unaudited)</u>	Year Ended 12/31/10 <u>(Unaudited)</u>
ASSETS		
Current Assets:		
Cash and Equivalents	\$ 1,123	\$ 1,923
Other Current Assets	\$ 29,000	\$ 28,200
Total Current Assets	<u>\$ 30,123</u>	<u>\$ 30,123</u>
Other Assets		
Investment in Land	\$ 107,367	\$ 110,167
Total Other Assets	<u>\$ 107,367</u>	<u>\$ 110,167</u>
Total Assets	<u>\$ 137,490</u>	<u>\$ 140,290</u>
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 13,415	\$ 12,776
Total Current Liabilities	<u>\$ 13,415</u>	<u>\$ 12,776</u>
Long-Term Liabilities:		
Other Unsecured Long-Term Notes	\$ 99,164	\$ 89,369
Total Long-Term Liabilities	<u>\$ 99,164</u>	<u>\$ 89,369</u>
Total Liabilities	<u>\$ 112,579</u>	<u>\$ 102,145</u>
Stockholders' Deficit:		
Preferred Stock, Class "A", par value \$0.001, 5,000,000 shares authorized, 5,000,000 issued or outstanding.	\$ 5,000	\$ 5,000
Preferred Stock, Class "C", par value \$0.001, 5,000,000 shares authorized, 16,000 shares issued and outstanding	\$ 16	\$ 16
Common Stock, 800,000,000 shares authorized; par value \$0.001 per share; 689,162,461 shares issued and outstanding	\$ 26,146	\$ 26,146
Additional Paid -In Capital	\$ 4,136,729	\$ 4,136,729
Retained Profit (Deficit)	<u>\$ (4,142,980)</u>	<u>\$ (4,129,746)</u>
Total Stockholders' Deficit	<u>\$ 24,911</u>	<u>\$ 38,146</u>
Total Liabilities and Stockholders' Deficit	<u>\$ 137,490</u>	<u>\$ 140,290</u>

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

EVERLERT, INC.
Income Statement
(A Development Stage Company)
(Stated in US Dollars)
(Unaudited)

	Year Ended 12/31/11	Year Ended 12/31/10
Net Revenue	\$ -	\$ -
Operating Expenses:		
Consulting Services Expense	\$ -	\$ 18,750
General and Administrative	\$ 639	\$ 9,857
Total Operating Expenses	<u>\$ 639</u>	<u>\$ 28,607</u>
Operating Income (Loss)	\$ (639)	\$ (28,607)
Other Income (Expense):		
Interest Expense	\$ (9,796)	\$ (6,524)
Write off of Uncollectable Receivables/Notes	-	\$ (159,620)
Loss on Disposal of Land	(2,800)	\$ (1,400)
Impairment of Goodwill	-	\$ (77,493)
Other loss	-	\$ (1,249)
Total other Income (Expense)	<u>\$ (12,596)</u>	<u>\$ (246,286)</u>
Net Income (Loss)	<u><u>\$ (13,235)</u></u>	<u><u>\$ (274,893)</u></u>
Basic Loss per Common Share	\$ (0.001)	\$ (0.011)
Weighted Average Number of Common Shares	26,146,389	26,146,389

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

EVERLERT, INC.
Statement of Cash Flows
(A Development Stage Company)
(Stated in US Dollars)
(Unaudited)

	Year Ended 12/31/11	Year Ended 12/31/10
<u>Operating Activities</u>		
Net Income (loss)	\$ (13,235)	\$ (274,893)
<i>Changes in operating assets and liabilities</i>		
Increase (Decrease) in Accounts Payable	\$ 639	\$ (6,250)
(Increase) Decrease in Other Current Assets	\$ (800)	\$ 8,800
Increase (Decrease) in Unsecured Notes	\$ 9,796	\$ 31,524
Impairment of Goodwill	\$ -	\$ 77,493
(Increase) Decrease in Inventory RE	\$ -	\$ 1,400
Net cash used in operating activities	\$ (3,600)	\$ (161,926)
<u>Investing Activities</u>		
Loan Receivable Write Off	\$ -	\$ 159,620
Write off of Investment in Land	\$ 2,800	\$ -
Net cash used in investing activities	\$ 2,800	\$ 159,620
<u>Financing Activities</u>		
Net Cash provided by financing activities	\$ -	\$ -
Cash at beginning of period	\$ 1,923	\$ 4,229
Cash at end of period	<u>\$ 1,123</u>	<u>\$ 1,923</u>

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

EVERLERT, INC.
STATEMENTS OF STOCKHOLDER'S EQUITY
From Inception (February 3, 1998) to Dec 31, 2011
(A Development Stage Company)
(Unaudited) (Stated in US Dollars)

	Preferred Stock		Common Stock		Paid in	Accumulated	Total
	Shares	Amount	Shares	Amount	Capital	Deficit	Equity
Balance, December 31, 2005	16,000	\$ 16	129,155,040	\$ 129,155	\$ 3,405,505	\$ (3,564,676)	\$ (30,000)
Share Exchange (see note 1)			116,239,536	\$ 116,240			\$ 116,240
Share Exchange (see note 2)			77,493,024	\$ 77,493			\$ 77,493
Net Loss						\$ (42)	\$ (42)
Balance, December 31, 2006	16,000	\$ 16	322,887,600	\$ 322,888	\$ 3,405,505	\$ (3,564,718)	\$ 163,691
Shares Issued - (see note 3)			203,482,560	\$ 203,483			\$ 203,483
Shares Issued - (see note 4)	5,000,000	\$ 5,000	105,000,000	\$ 105,000			\$ 110,000
Shares Issued - (see note 5)			100,000,000	\$ 100,000			\$ 100,000
Net Loss						\$ (176,549)	\$ (176,549)
Balance, December 31, 2007	5,016,000	\$ 5,016	731,370,160	\$ 731,370	\$ 3,405,505	\$ (3,741,267)	\$ 400,624
REVERSE SPLIT: 1:5000 (see note 6)			146,389	\$ 146	\$ 731,224		\$ -
Shares Issued - (see note 7)			26,000,000	\$ 26,000			\$ 26,000
Net Loss						\$ (74,304)	\$ (74,304)
Balance, December 31, 2008	5,016,000	\$ 5,016	26,146,389	\$ 26,146	\$ 4,136,729	\$ (3,815,571)	\$ 352,320
Net Loss						\$ (39,281)	\$ (39,281)
Balance, December 31, 2009	5,016,000	\$ 5,016	26,146,389	\$ 26,146	\$ 4,136,729	\$ (3,854,852)	\$ 313,039
Net Loss						\$ (274,893)	\$ (274,893)
Balance, December 31, 2010	5,016,000	\$ 5,016	26,146,389	\$ 26,146	\$ 4,136,729	\$ (4,129,746)	\$ 38,146
Net Loss						\$ (13,235)	\$ (13,235)
Balance, December 31, 2011	5,016,000	\$ 5,016	26,146,389	\$ 26,146	\$ 4,136,729	\$ (4,142,980)	\$ 24,911

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

Note A - Nature of Business and Summary of Significant Accounting Policies

The Company

Everlert, Inc. (hereinafter referred to as the "Company") is a publicly traded real estate acquisition and management company whose focus is on the purchase and sale of real estate. Properties acquired come from those parties who wish to market their real estate for various reasons. The Company is actively engaged in the acquisition, enhancement, and disposition of real estate.

Everlert, Inc. is a development stage Company engaged in the acquisition, management and disposition of commercial and residential properties for the purpose of making improvements and/or add-ons, when one in which enhance the property, and creates additional value. (Other OTC: EVLI.PK) The Company's business address is 895 Dove St, Suite 300, Newport Beach, CA 92660 USA. The Company conducts its business primarily through Orpheus Capital, LLC (and the "Operating Partnership"), a California Limited Liability Company in which the Company held a 90% partnership interest as of December 31, 2011.

The Company, through its subsidiary, Orpheus Capital, LLC described above, as of December 31, 2011, owns or controls approximately 24 properties comprised primarily of undeveloped land as noted in the following schedule:

The Properties are concentrated in the following market areas:

Market Area	Type of Property	<i>Number</i>
Arizona	Land	11
California	Land	12
Colorado	Land	1
Total		24

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

Nature of Operations

Everlert, Inc., a Nevada corporation ("registrant"), was originally incorporated on February 3, 1998, and has adopted a December 31 year-end. In February 1998, the articles of incorporation were amended to add to the authorized shares 5 million shares of preferred stock and increase the authorized common stock to 50,000,000 shares. In December 2003, the articles of incorporation were amended to increase the number of authorized common shares to 800,000,000. In December 2006, the articles of incorporation were amended to add to the authorized shares 5 million shares of preferred stock designated Series A Preferred.

In December 2006, the Company acquired 90% of Orpheus Capital, LLC in a stock for stock exchange by issuing 116,239,536 Common Stock Shares at par \$0.001 for a total purchase price of \$116,240. The acquisition was accounted for by using the purchase method of accounting and, accordingly, Orpheus

Capital, LLC's results of operation have been included in the consolidated financial statements since the date of acquisition.

As of December 31, 2011, the Company is a development stage Company. The amount of accumulated deficit from inception (February 3, 1998) through December 31, 2011 is 4,142,980. SFAS 7 defines a development stage enterprise as a Company that:

- Devote substantially all its efforts to establishing a new business and has not begun planned principal operations; or
- Has begun operations, but has not generated significant revenue.

Basis of Consolidation

The consolidated financial statements include the accounts of the Company and its 90% owned subsidiary, Orpheus Capital, LLC, a California LLC. All significant inter-company transactions have been eliminated in consolidation.

The Company's mergers and acquisitions were accounted for as purchases in accordance with either Accounting Principles Board ("APB") Opinion No. 16, Business Combinations, or SFAS No. 141, Business Combinations. SFAS No. 141 requires all business combinations initiated after June 30, 2001 to be accounted for under the purchase method of accounting. The fair value of the consideration given by the Company in the mergers was used as the valuation basis for each of the combinations. The accompanying consolidated statements of operation and cash flows include the results of the properties purchased through the mergers and acquisitions from their respective closing dates.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in the United States requires management to make estimates and assumptions that affect amounts reported and disclosed in the financial statements and the accompanying notes. Actual results could differ materially from these estimates. On an ongoing basis, we expect to evaluate our estimates, including those related to the accounts receivable, the accounts payable and sales allowances, fair values of marketable and non-marketable securities, fair values of intangible assets and goodwill, useful lives of intangible assets, property and equipment, fair values of options to purchase our common stock, and income taxes, among others. We expect to base our estimates on historical experience and on various other assumptions that are believed to be reasonable, and the results of which form the basis for making judgments about the carrying values of assets and liabilities.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts or revenues and expenses during the reporting period. Actual results could differ materially from those estimates. Significant accounting policies and estimates underlying the accompanying financial statements include:

It is reasonably possible that the estimates may change in the future.

Fair Value of Financial Instruments

The carrying amounts of our financial instruments, including cash and cash equivalents, marketable securities, Accounts Receivable, Accounts Payable and accrued liabilities, approximate fair value because of their generally short maturities.

Cash and Cash Equivalents and Marketable Securities

We invest our excess cash in money market funds and in highly liquid debt instruments of U.S. municipalities, corporations and the US government and its agencies. All highly liquid investments with stated maturities of three months or less from date of purchase are classified as cash equivalents; all highly liquid investments with stated maturities of greater than three months are classified as marketable securities.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements, if any, are amortized over the shorter of the lease term or the estimated useful lives of the assets. Depreciation for equipment commences once it is placed in service and depreciation for buildings and leasehold improvements commences once they are ready for their intended use.

Depreciation

Properties, when utilized by the Company and not held for sale and recognized and recorded, are expected to be depreciated using a straight-line method over the estimated useful lives of the assets as follows:

Land improvements	3-20 years
Buildings and improvements	3-14 years
Furniture, fixtures and equipment	5-10 years
Computer software	5 years

Long-Lived to Assets Including Goodwill and Other Acquired Intangible Assets

The Company reviews property and equipment and intangible assets, excluding goodwill, for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of these assets is measured by comparison of carrying amounts to the future on discounted cash flows the assets are expected to generate. If property and equipment and intangible assets are considered to be impaired, the impairment to be recognized equals the amount by which the carrying value of the asset exceeds its fair market value. The Company has made no adjustments to long-lived assets in any of the years presented. In accordance with SFAS No.142, Goodwill and Other Intangible Assets, the Company tests goodwill, if any, for impairment at least annually, or more frequently if events or changes in circumstances indicate that this asset may be impaired.

SFAS No.142 also requires that intangible assets with definite lives be amortized over their estimated useful lives and reviewed for impairment whenever events or changes in circumstances indicate an asset's carrying value may not be reasonable in accordance with SFAS No.144, accounting for the impairment of Long-Lived Assets and for Long-Lived Assets to Be Disposed Of.

Legal Costs

Legal costs are expensed as incurred.

Gains on Real Estate Sales

Gains on disposition of properties are recognized using the full accrual method in accordance with the provisions of SFAS No.66, accounting for Real Estate Sales, provided that various criteria relating to the terms of sale and any subsequent involvement by the Company with the properties sold are met.

Advertising and Promotional Expenses

Advertising and promotional costs are expensed as incurred.

Stock-based Compensation

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 123 (revised 2004) come on Share-based Payment ("SFAS 123R") and that addresses the accounting for share-based payment transactions in which an enterprise receives employee services in exchange for equity instruments of the enterprise or liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments. SFAS 123R eliminates the ability to account for share-based compensation transactions using the intrinsic value method under Accounting Principles Board Opinion No.25, Accounting for Stock Issued to Employees ("APB 25"), and it generally requires instead that such transactions be accounted for using a fair-value-based method.

Liquidity

As Shown in the Accompanying Financial Statements, the Company has incurred a net loss of \$13,235 during the year ended December 31, 2011 and a cumulative loss of since inception of \$4,142,980 (February 3, 1998).

Litigation

The Company may be subject to various claims and painting or threatened lawsuits in the normal course of business. Management believes that the outcome of any such lawsuits would not have a materially adverse effect on the Company's financial position, results of operations or cash flows.

Note B – Commitments and Contingencies**Operating Leases**

The Company polices corporate office space on a month to month basis under an operating lease agreement. The Company pays a portion of the related operating expenses under this lease agreement in addition to the basic monthly rental. Rent expense under this lease is expensed as incurred monthly at the rate of approximately \$580 beginning January 1, 2007.

Note C – Loans and Notes Payable

Long-term debt consists of the following at December 31, 2011:

<u>Description</u>	<u>Origination</u>	<u>Amount</u>
Debt Note for Services	12/20/06	\$ 42,532
Debt Note for Services	8/31/09	\$ 28,315
Debt Note for Services	9/30/10	\$ 28,317
Total Loans		<u>\$ 99,164</u>

Note D – 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 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 December 31, 2011, the Company has available for federal income tax purposes a net operating loss carry forward from continuing operations of approximately \$4,142,980. Such losses may not be fully deductible is due to the significant amounts of non-Cash service costs in the change in ownership rules Under Section 382 of the Internal Revenue Code. The Company has established a valuation allowance for the full tax benefit of the operating loss carryovers due to the uncertainty regarding realization. There is no tax benefit recorded due to this allowance as of December 31, 2011.

Note E – 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 since inception through December 31, 2011, the Company incurred a loss from operations of \$4,142,980 however, has not maintain profitable operations under its current operation 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 management's ability to develop profitable operations. Management anticipates the Company will attain profitable status and improve its liquidity to the continued developing, marketing and selling of its products in additional equity investment 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. 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 action will result in profitable operation or the resolution of its liquidity problems.

Note F – Net Income (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.

Note G – Shareholders’ Equity

Preferred Stock

Currently, there are two classes of preferred stock which have been authorized by the Company as follows:

“Class A”

As of December 31, 2011, the Company privately authorized and issued 5 million shares of class “A.” preferred stock, \$0.001 par value. The Preferred Shares are to be convertible at any time by the holder into Common Shares at a conversion ratio of 2:1 fully paid and non-assessable, non-voting shares of the Company's common stock, subject to the law provisions.

“Class C”

As of December 31, 2011, there are 5 million authorized and 16,000 shares issued of class “C” preferred stock, \$0.001 par value. The Preferred Shares have a conversion feature that these shares may be converted into shares of the Company's common stock on the basis of 10 shares of common stock for one share of preferred stock. In addition, the shares of preferred stock are callable two years from the date of issuance, but before three years from the date of issuance at a retention rate of 110% of the liquidation value. Accordingly, the liquidation value is stated at \$3.00 per share of preferred stock.

Common Stock

The authorized capital stock of the Company includes 800,000,000 shares of common stock, par value \$0.001 per share. The holders of the shares: (a) have equal ratable rights to dividends from funds legally available and therefore, when, as, and if declared by the Board of Directors of the Company; (b) are entitled to share ratably in all of the assets of the Company available for distribution upon winding up of the affairs of the Company; and (c) are entitled to one non-cumulative vote per share on all matters on which shareholders may vote at all meetings of shareholders. These securities do not have any of the following rights: (a) cumulative or special voting rights; (b) preemptive rights to purchase new issues of shares; (c) preference as to dividends or interest; (d) preference upon liquidation; or (e) any other special rights or preferences. In addition, the shares are not convertible into any other security. There are no restrictions on dividends under any loan, other financing agreements or otherwise. As of December 31, 2011, the Company had 26,146,389 shares of common stock issued and outstanding.

Dividends

The Company does not currently intend to pay cash dividends. Because the Company does not intend to make cash distributions, potential shareholders would need to sell their shares to realize a return on their investment. There can be no assurances of the projected values of the shares, nor can there be any guarantees of the success of the Company.

A distribution of revenues will be made only when, in the judgment of the Company's board of directors, is in the best interest of the Company's stockholders to do so. The board of directors will review, among

other things, the financial status of the Company and any future cash needs of the Company in making its decision.

Description of equity transactions:

As of the year ended December 31, 2011:

- i. There are 800,000,000 shares of common stock authorized with \$0.001 par value.

There are 5,000,000 preferred Series A stock authorized with \$0.001 par value. There are 5,000,000 Series C stock authorized with \$0.001 par value
- ii. There are 26,149,389 shares of Common Stock issued and outstanding.

There are 5,000,000 preferred Series A stock issued and outstanding

There are 16,000 preferred Series C stock issued and outstanding
- iii. There are approximately 37,651 shares freely tradable.
- iv. The Company has approximately 212 beneficial shareholders.
- v. The Company has approximately 212 shareholders of record.

As of the year ended December 31, 2010:

- i. There are 800,000,000 shares of common stock authorized with \$0.001 par value.

There are 5,000,000 preferred Series A stock authorized with \$0.001 par value. There are 5,000,000 Series C stock authorized with \$0.001 par value
- ii. There are 26,149,389 shares of Common Stock issued and outstanding.

There are 5,000,000 preferred Series A stock issued and outstanding

There are 16,000 preferred Series C stock issued and outstanding
- iii. There were approximately 37,651 shares freely tradable.
- iv. The Company has approximately 212 beneficial shareholders.
- v. The Company has approximately 212 shareholders of record.

As of the year ended December 31, 2009:

- i. There are 800,000,000 shares of common stock authorized with \$0.001 par value.

There are 5,000,000 preferred Series A stock authorized with \$0.001 par value. There are 5,000,000 Series C stock authorized with \$0.001 par value
- ii. There are 26,149,389 shares of Common Stock issued and outstanding.

There are 5,000,000 preferred Series A stock issued and outstanding

There are 16,000 preferred Series C stock issued and outstanding
- iii. There were approximately 37,651 shares freely tradable.
- iv. The Company has approximately 212 beneficial shareholders.
- v. The Company has approximately 212 shareholders of record.

As of the year ended December 31, 2008:

- i. There are 800,000,000 shares of common stock authorized with \$0.001 par value.

There are 5,000,000 preferred Series A stock authorized with \$0.001 par value. There are 5,000,000 Series C stock authorized with \$0.001 par value
- ii. There are 26,149,389 shares of Common Stock issued and outstanding.

There are 5,000,000 preferred Series A stock issued and outstanding

There are 16,000 preferred Series C stock issued and outstanding
- iii. There were approximately 37,651 shares freely tradable.
- iv. The Company has approximately 212 beneficial shareholders.
- v. The Company has approximately 212 shareholders of record.

Notes:

- 6. In January 2008 the Company authorized a rollback of its common shares of 5,000 to 1.

7. In July 2006 the Company issued 26,000,000 shares of the Company's common stock in consideration for services rendered.

As of the year ended December 31, 2007:

- i. There are 800,000,000 shares of common stock authorized with \$0.001 par value.

There are 5,000,000 preferred Series A stock authorized with \$0.001 par value. There are 5,000,000 Series C stock authorized with \$0.001 par value
- ii. There are 731,370,160 shares of Common Stock issued and outstanding.

There are 5,000,000 preferred Series A stock issued and outstanding

There are 16,000 preferred Series C stock issued and outstanding
- iii. There were approximately 188,255,000 shares freely tradable.
- iv. The Company has approximately 212 beneficial shareholders.
- v. The Company has approximately 212 shareholders of record.

Notes:

1. In December, 2006 the Company acquired 90% of the Orpheus Capital, LLC in a stock for stock exchange by issuing 116,239,536 Common Stock Shares at par or \$0.001.
2. In December, 2006 the Company purchased 100% of Everlert Communications, Inc. (a California corporation) in a stock for stock exchange by issuing 77,493,024 Common Stock.
3. In June 2007 the Company issued 203,482,560 shares of the Company's Common stock for professional services to Company executives and consultants in consideration for services rendered.
4. In August 2007 the Company issued 5,000,000 shares of the Company's Class "A" Preferred stock and 105,000,000 shares of the Company's common stock in consideration for services rendered.
5. In October 2007 the Company issued 100,000,000 shares of the Company's Common stock in consideration for services rendered.

CERTIFICATION

I, Robert L. Hymers III, President and Chief Executive Officer of Everlert, Inc., hereby certifies that the un-audited financial statements and related footnotes hereto present fairly, in all material respects, the financial position of Everlert, Inc. and the results of its operations and cash flows as of and for the year ending December 31, 2012, in conformity with accounting principles generally accepted in the United States, consistently applied.

A handwritten signature in black ink, appearing to read "R. L. Hymers III".

February 1, 2013

EVERLERT, INC.

Robert L. Hymers III, President

I, W. Lee Davidson, Secretary and Treasurer of Everlert, Inc., hereby certifies that the un-audited financial statements and related footnotes hereto present fairly, in all material respects, the financial position of Everlert, Inc. and the results of its operations and cash flows as of and for the year ending December 31, 2012, in conformity with accounting principles generally accepted in the United States, consistently applied.

A handwritten signature in black ink, appearing to read "W. Lee Davidson".

February 1, 2013

EVERLERT, INC.

W. Lee Davidson, Secretary/ Treasurer