

ANYTHING TECHNOLOGIES MEDIA, INC.
UNAUDITED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED
DECEMBER 31, 2013 AND 2012
AMENDMENT 1

ANYTHING TECHNOLOGIES MEDIA, INC.
UNAUDITED BALANCE SHEET
AT DECEMBER 31, 2013

ASSETS

CURRENT ASSETS

Cash	\$ 1,276
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OTHER ASSETS

Investments	2,024,500
Extension agreement-Anything Media-net	35,000
Total assets	\$ <u>2,060,776</u>

LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT)

CURRENT LIABILITIES

Accounts payable	\$ 250,682
Due to officers	737,028
Accrued interest	273,898
Total current liabilities	1,261,608

OTHER LIABILITIES

Convertible debt	28,503
Secured debt	1,020,000
Loans payable	286,646
Total liabilities	<u>2,596,757</u>

STOCKHOLDERS' DEFICIT

Preferred stock	2,567
Common stock	690,069
Paid in capital	4,562,278
Subscriptions receivable	(25,000)
Shares issued for collateral	(20,000)
Accumulated (deficit)	(5,745,895)
Total stockholders' equity	<u>(535,981)</u>

Total liabilities and stockholders' equity	\$ <u>2,060,776</u>
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See accompanying notes to these unaudited consolidated financial statements.

ANYTHING TECHNOLOGIES MEDIA, INC.
UNAUDITED STATEMENT OF OPERATIONS

**For the three months ended
December 31,**

2013 2012

REVENUES

Joint Venture revenues	\$ 66,758	\$ 70,114
Joint Venture cost of sales	<u>(30,009)</u>	<u>(42,068)</u>
Gross Profit	36,749	28,046
Other Revenue	<u>0</u>	<u>0</u>
Total Net Revenue	<u>36,749</u>	<u>28,046</u>

OPERATING EXPENSES

General and administrative	29,313	38,046
Professional fees	0	0
Shares issued for services	0	0
Consulting & related services	14,813	0
Officer compensation	82,500	82,500
Marketing & promotion	0	0
Depreciation & amortization	2,500	0
Interest expense	<u>36,735</u>	<u>38,131</u>
Total operating expenses	<u>165,861</u>	<u>158,677</u>

(Loss) from operations	(129,112)	(130,631)
Gain from sale of 51% of R Quest	1,974,500	

Net income (Loss)	<u>\$ 1,845,388</u>	<u>\$ (130,631)</u>
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See accompanying notes to these unaudited consolidated financial statements.

ANYTHING TECHNOLOGIES MEDIA, INC.
UNAUDITED STATEMENT OF OPERATIONS

**For the six months ended
December 31,**

2013 2012

REVENUES

Joint Venture revenues	\$ 98,910	\$ 133,101
Joint Venture cost of sales	<u>(49,300)</u>	<u>(79,860)</u>
Gross Profit	49,610	53,241
Other Revenue		<u>0</u>
Total Net Revenue	<u>49,610</u>	<u>53,241</u>

OPERATING EXPENSES

General and administrative	49,813	73,279
Professional fees		0
Shares issued for services	37,000	0
Consulting & related services	14,813	0
Officer compensation	165,000	165,000
Marketing & promotion		0
Depreciation & amortization	5,000	0
Interest expense	<u>73,270</u>	<u>78,535</u>
Total operating expenses	<u>344,896</u>	<u>316,814</u>
(Loss) from operations	(295,286)	(263,573)
Gain from sale of 51% of R Quest	1,974,500	
Net income (Loss)	\$ <u>1,679,214</u>	\$ <u>(263,573)</u>

See accompanying notes to these unaudited consolidated financial statements.

ANYTHING TECHNOLOGIES MEDIA, INC.
STATEMENT OF SHAREHOLDERS DEFICIT
UNAUDITED
PART 1 OF 3

	Preferred A Shares	Preferred B Shares	Preferred Amount
Balance at June 30, 2012	2,000,000	209,732	2,210
Disposition of Global publishing	0	0	0
Shares issued to acquire Global	0	57,292	57
Shares issued for extension agreement		50,000	50
Shares for services	340,000	50,000	390
Conversion of Preferred B to common	0	(52,440)	(52)
Shares issued for debt	0	0	0
Conversion of debt to common	0	0	0
Shares issued for collateral	0	0	0
Adjustment to paid in capital capital			
Net loss for the year ended June 30, 2013			
Balance at June 30, 2013	2,340,000	314,584	\$2,655
Conversion of Pref B into common		(88,000)	(\$88)
Shares for services			
Common shares issued for cash			
Subscriptions receivable			
Net loss six mths ended Dec 31, 2013			
Balance at December 31, 2013	2,340,000	226,584	\$2,567

ANYTHING TECHNOLOGIES MEDIA, INC.
STATEMENT OF SHAREHOLDERS DEFICIT
UNAUDITED
PART 2 OF 3

	Common Shares	Common Amount	Paid-In Capital
Balance at June 30, 2012	93,111,993	93,112	4,709,238
Disposition of Global publishing	0	0	0
Shares issued to acquire Global	0	0	0
Shares issued for extension agreement	0	0	49,950
Shares for services	43,000,000	32,200	83,610
Conversion of Preferred B to common	52,440,268	52,440	(52,388)
Shares issued for debt	15,000,000	15,000	0
Conversion of debt to common	304,850,124	51,151	96,696
Shares issued for collateral	16,666,667	16,667	3,333
Adjustment to paid in capital capital		264,499	(264,499)
Net loss for the year ended June 30, 2013			
Balance at June 30, 2013	525,069,052	\$525,069	\$4,625,940
Conversion of Pref B into common	88,000,000	88,000	(87,912)
Shares for services	12,000,000	12,000	64,250
Common shares issued for cash	65,000,000	65,000	(40,000)
Subscriptions receivable	0		
Net loss six mths ended Dec 31, 2013			
Balance at December 31, 2013	690,069,052	\$690,069	\$4,562,278

ANYTHING TECHNOLOGIES MEDIA, INC.
STATEMENT OF SHAREHOLDERS DEFICIT
UNAUDITED
PART 3 OF 3

	Subscription Receivable	Shares for Collateral	Accumulated (Deficit)	Total
Balance at June 30, 2012	2,292,904	0	(5,748,442)	1,349,022
Disposition of Global publishing	(2,294,904)	0	0	(2,294,904)
Shares issued to acquire Global	2,000	0	0	2,057
Shares issued for extension agreement	0	0	0	50,000
Shares for services	0	0	0	116,200
Conversion of Preferred B to common	0	0	0	0
Shares issued for debt	0	0	0	15,000
Conversion of debt to common	0	0	0	147,847
Shares issued for collateral	0	(20,000)	0	0
Adjustment to paid in capital				0
Net (loss) for the year ended June 30, 2013			(1,676,667)	(1,676,667)
Balance at June 30, 2013	\$0	(\$20,000)	(\$7,425,109)	(\$2,291,445)
Conversion of Pref B into common				0
Shares for services				76,250
Common shares issued for cash				25,000
Subscriptions receivable	(25,000)			(25,000)
Net income six mths ended Dec 31, 2013			1,679,214	1,679,214
Balance at December 31, 2013	(\$25,000)	(\$20,000)	(\$5,745,895)	(\$535,981)

ANYTHING TECHNOLOGIES MEDIA, INC.
UNAUDITED STATEMENT OF CASH FLOWS

	For the three months	
	December 31,	
	2013	2012
OPERATING ACTIVITIES		
(Loss) from operations for the period	\$ (129,112)	\$ (130,631)
Adjustments to reconcile net loss to net cash (used in)		
provided by operating activities:		
Depreciation and amortization expense	2,500	
Shares issued for debt		41,554
Shares issued for services		
Changes in assets and liabilities		
(Increase)/decrease in accounts receivable		
(Increase)/decrease in inventory		
(Increase)/decrease in current assets		
Increase/(decrease) in accounts payable	8640	(74,957)
Increase/(decrease) in other current liabilities	119,235	152,010
Increase/(decrease) in notes payable		
Net cash (used in) provided by operating activities	<u>1,263</u>	<u>(12,024)</u>
INVESTING ACTIVITIES		
	0	0
Net cash (used in) provided by investing activities	<u>0</u>	<u>0</u>
FINANCING ACTIVITIES		
Cancellation of acquisition of Global Publishing		
Net cash (used in) provided by financing activities	<u>0</u>	<u>0</u>
INCREASE (DECREASE) IN CASH	1,263	(12,024)
CASH, BEGINNING OF PERIOD	<u>13</u>	<u>13,822</u>
CASH, END OF PERIOD	<u><u>1,276</u></u>	<u><u>1,798</u></u>

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES

Sale of 51% of R-Quest for 100,000,000 ICBU shares	\$ 1,974,500	\$ 0
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See accompanying notes to these unaudited consolidated financial statements.

ANYTHING TECHNOLOGIES MEDIA, INC.
UNAUDITED STATEMENT OF CASH FLOWS

	For the six months	
	December 31,	
	2013	2012
OPERATING ACTIVITIES		
(Loss) from operations for the period	\$ (295,286)	\$ (263,573)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization expense	5,000	
Shares issued for debt		96,220
Shares issued for services	76,250	
Changes in assets and liabilities		
(Increase)/decrease in accounts receivable		
(Increase)/decrease in inventory		
(Increase)/decrease in current assets		
Increase/(decrease) in accounts payable	16,279	151,568
Increase/(decrease) in other current liabilities	199,020	908,630
Increase/(decrease) in notes payable		
Net cash (used in) provided by operating activities	<u>1,263</u>	<u>892,845</u>
INVESTING ACTIVITIES		
	<u>0</u>	<u>0</u>
Net cash (used in) provided by investing activities	<u>0</u>	<u>0</u>
FINANCING ACTIVITIES		
Cancellation of acquisition of Global Publishing		(904,860)
Net cash (used in) provided by financing activities	<u>0</u>	<u>(904,860)</u>
INCREASE (DECREASE) IN CASH	1,263	(12,024)
CASH, BEGINNING OF PERIOD	<u>13</u>	<u>13,822</u>
CASH, END OF PERIOD	<u><u>1,276</u></u>	<u><u>1,798</u></u>

SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES

Sale of 51% of R-Quest for 100,000,000 ICBU shares	\$ 1,974,500	\$ 0
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See accompanying notes to these unaudited consolidated financial statements.

ANYTHING TECHNOLOGIES MEDIA, INC.
Notes to Unaudited Financial Statements
For the six months
ended December 31, 2013 and 2012
(Unaudited)

NOTE 1. THE COMPANY AND ITS SIGNIFICANT ACCOUNTING POLICIES

Company

The Company was incorporated on June 9, 1997 in the State of Nevada, U.S.A. and commenced inception of business on June 12, 1997. The Company changed its name from Legend Resources Inc. to SMS@ctive Technologies Corp. on July 24, 2001 and from SMS@ctive Technologies Corp. to Exchange Mobile Telecommunications, Corp. on November 24, 2006.

Use of Estimates

The unaudited financial statements included herein were prepared from the records of the Company in accordance with Generally Accepted Accounting Principles. These financial statements reflect all adjustments that are, in the opinion of management, necessary to provide a fair statement of the results of operations and financial position for the presented periods. Significant adjustments may be required upon the financial statements being audited to be in conformity with Generally Accepted Accounting Principles.

Reclassifications

Some of the statement balances from prior periods have been reclassified in order to present financial statements that are comparable.

Cash & Cash Equivalents

The company's policy is to consider cash and cash equivalents to consist of checking accounts, money market accounts or certificates of deposit having maturity dates of 180 days or less.

Income Taxes

The Company records its federal and statement income tax liability as it is incurred.

Share Presentation

On September 20, 2010, the Company reversed its issued and outstanding common shares at a ratio of 20 to 1. All shares have been presented in the amounts after the share consolidation of 1 new common share for 20 old common shares.

Revenue Recognition

The Company recognizes revenue as earned from Anything Media, Inc. and other revenue earned by leasing its Vancouver office.

On October 15, 2010, the Company entered into a revenue share agreement with Anything Media, Inc. ("AMI") to distribute, market, produce and fulfill films, DVD's, CD's and other products. The agreement term is for seven years and entitles the Company to record 50% of the joint venture activity. On November 15, 2011, the parties agreed to extend the Revenue Share Agreement for the full term of seven years or an additional five years for a total of 70,000 additional preferred B shares of stock. This brings the total to

100,000 Preferred B Shares for seven years of revenue sharing with AMI which converts to 100 million common shares of EXMT stock. The conversion ratio of Preferred to Common is revised from 4.9% to 9.9% of the Company's outstanding stock. The first and second year are limited to 9.9% per year and thereafter there is no limitation. The additional Preferred B Shares issued were valued at \$50,000 and will be amortized over five years.

NOTE 2. ACQUISITIONS AND DISPOSITIONS

On March 29, 2013 the Company acquired all of outstanding common shares of R-Quest Hydroponics, Inc., ROH, for 500,000 preferred Shares that will be convertible into 50,000,000 common shares. The shares were not issued at the end of the quarter; therefore, a liability for \$50,000 has been accrued until the Preferred A shares are issued. ROH is a software and hardware manufacturer for the Hydroponics industry.

On March 15, 2012 the Company agreed to issue 190,000 Preferred B Shares for 51% of MFI, a Hong Kong Base Company that owned all of Global Publishing Inc. Global Publishing Inc. manufactures CD's and DVD's and is a replicator. The transaction was effective on May 1, 2012 but cancelled during October 2012. All operating activity of Global Publishing Inc. has been excluded from these financial statements for purposes of comparability to prior periods and fair presentation.

NOTE 3. INVESTMENTS

On September 24, 2013 the Company sold 51% of R-Quest Hydroponics, Inc. for 100,000,000 common shares of iMD Companies, Inc. valued at \$2,000,000. The Company has retained a 49% in R-Quest Hydroponics, Inc. and will carry its value at \$24,500.

The 100,000,000 common shares of iMD Companies Inc. are held as an investment and will be carried at cost of \$2,000,000. The market value of the security was in excess of the cost basis at December 31, 2013 and no impairment was necessary.

NOTE 4. CONVERTIBLE NOTES PAYABLE

On May 15, 2011, the Company entered into a note with a shareholder as consideration for \$122,000 of cash advances from July 13, 2010 through January 27, 2011. The note accrues interest at an annual interest rate of 8%. The Holder of the Note is entitled, at its option, at any time to convert all or any lesser portion of the outstanding principal amount and accrued unpaid interest into common stock at a conversion price (the "Conversion Price") for each share of common stock equal to at a price which is a 40% discount to the average closing bid price for the common stock for the 60 trading days before the day that the Holder requests conversion, unless otherwise modified by mutual agreement between the Parties. The common stock conversion price cannot go below the common stock par value of \$.001. There was no principal or interest outstanding at December 31, 2012 as parts of the note had been sold to five different parties.

On July 2, 2012, the Holder of a \$122,000 8% convertible note payable sold \$25,000 of the principal on the note with no accrued interest to a third party. The Company reduced the principal on the original note to \$97,000 and issued a new note to the third party for \$25,000 under an exchange agreement tacking back to original date on the original note of May 15, 2011. The Company and the third party agreed to change the interest rate to 15% per annum and to change the conversion price to the lesser of \$.02 per common share or the product of multiplying 0.55 times the average of the three low traded prices of the Company's common stock for the twenty (20) trading day period immediately preceding the date at which the Holder gives notice to the Company of its election to convert the Note into the Company's common stock. During the quarter ended September 30, 2012, the third party converted \$10,000 of principal into 3,680,074 common shares. There was \$15,000 of principal and \$563 of accrued interest outstanding at September 30, 2012. During November 2012, the

Holder sold its remaining \$15,000 note balance with accrued interest to a third party.

During November 2012, the Holder purchased a convertible note payable for \$15,000 from the party described in the above paragraph with the same terms and conditions to the note. On November 12, 2012, the Holder converted \$4,114 of principal and the remaining accrued interest for 8,571,428 common shares. On February 6, 2013, the Holder converted \$2,300 of principal and for 23,000,000 common shares. During the quarter ended June 30, 2013, the holder converted the remaining principal of \$8,586 into 36,203,703 common shares. At September 30, 2013, there was no principal or accrued interest outstanding.

On July 5, 2012, the Holder of the original \$122,000 8% convertible note payable had a current balance due of \$97,000 and a portion of the principal was sold for \$40,000 with no accrued interest to a third party. The Company reduced the principal on the original note to \$57,000 and issued a new note to the third party for \$40,000 under an exchange agreement tacking back to original date on the original note of May 15, 2011. The Company and the third party agreed to change the conversion price to a 50% discount from the lowest trading price during the five days prior to the day the Holder requests conversion. The Holder can't convert more than 4.99% of the Company's outstanding common stock. During the quarter ended September 30, 2012, the third party converted \$11,497 of principal and \$570 of accrued interest into 3,592,800 common shares. At December 31, 2013, the principal balance for the note was \$28,503 with \$2,138 of accrued interest outstanding.

During October 2012, the Holder purchased \$25,000 of the outstanding balance of \$55,000 from the original \$122,000 convertible note Holder. All of the terms and conditions are the same as the original note holder. During December 2012, the current note Holder converted \$3,702 of principal for 7,118,895 common shares. During the quarter ended March 31, 2013, the third party converted \$9,291 of principal into 92,912,696 common shares. During the quarter ended June 30, 2013, the holder converted the remaining principal of \$12,007 into 17,908,318 common shares. At September 30, 2013, there was no principal or accrued interest outstanding.

During October 2012, the Holder purchased \$32,000 of the outstanding balance of \$55,000 from the original \$122,000 convertible note Holder. All of the terms and conditions are the same as the original note holder. During the quarter ended June 30, 2013, the holder converted the remaining principal of \$32,000 into 36,862,210 common shares. At September 30, 2013, there was no principal or accrued interest outstanding.

A shareholder of the Company guaranteed a loan for \$1,000,000 on equipment as part of the acquisition of Global Publishing and the Company agreed to pay the shareholder in exchange for the title to the secured equipment. The Company owes the shareholder \$1,000,000 and the note accrues interest at 12% per annum. At December 31, 2013 the accrued interest on the note was \$180,000.

The Holder of the Note is entitled, at its option, at any time to convert all or any lesser portion of the outstanding principal amount and accrued unpaid interest into common stock at a conversion price (the "Conversion Price") for each share of common stock equal to at a price which is a 50% discount to the average closing bid price for the common stock for the 5 trading days before the day that the Holder requests conversion or \$.10 per common share, whichever price is lower. The Holder can not convert more than 4.99% of the Company's outstanding common stock.

During 2008, a shareholder of the Company paid \$101,314 of the Company's operating expenses. The Company executed a signed note with the shareholder acknowledging and accepting the payments that were made on its behalf. The note began accruing interest at 10% per annum on the unpaid principal balance starting January 1, 2009. All principal and interest are due upon demand of the shareholder and may be paid with common stock at 50% of the lowest traded price during the prior 20 trading days. At December 31, 2013, the Company owed the stockholder \$101,314 in principal and \$50,658 in accrued interest.

During 2009, a shareholder of the Company paid \$65,957 of the Company's operating expenses. The Company executed a signed note with the shareholder acknowledging and accepting the payments that were made on its behalf. The note began accruing interest at 10% per annum on the unpaid principal balance starting January 1, 2010. All principal and interest are due upon demand of the shareholder and may be paid with common stock at 50% of the lowest traded price during the prior 20 trading days. At September 30, 2013, the Company owed the stockholder \$65,957 in principal and \$26,383 in accrued interest.

During 2010, a shareholder of the Company paid \$84,363 of the Company's operating expenses. The Company executed a signed note with the shareholder acknowledging and accepting the payments that were made on its behalf. The note began accruing interest at 10% per annum on the unpaid principal balance starting January 1, 2011. All principal and interest are due upon demand of the shareholder and may be paid with common stock at 50% of the lowest traded price during the prior 20 trading days. During the quarter ended June 30, 2013 the stockholder converted \$21,091 of accrued interest and \$1,409 of principal for 75,000,000 common shares. During the quarter ended September 30, 2013 the stockholder converted \$2,074 of accrued interest and \$37,176 of principal for 115,000,000 common shares. At December 31, 2013, the Company owed the stockholder \$45,778 in principal and no accrued interest.

During 2011, a shareholder of the Company paid \$73,597 of the Company's operating expenses. The Company executed a signed note with the shareholder acknowledging and accepting the payments that were made on its behalf. The note began accruing interest at 10% per annum on the unpaid principal balance starting January 1, 2012. All principal and interest are due upon demand of the shareholder and may be paid with common stock at 50% of the lowest traded price during the prior 20 trading days. At December 31, 2013, the Company owed the stockholder \$73,597 in principal and \$14,720 in accrued interest.

NOTE 5: SECURED LOAN

During the quarter ended December 31, 2012, the Company secured a \$20,000 with 16,666,667 of its common shares. The lender has agreed to return the shares when the loan is repaid.

NOTE 6. CURRENT LIABILITIES

Current liabilities are reported as accounts payable, due to officers, and accrued interest payable to related parties. On December 31, 2013, the Company recorded total current liabilities of \$1,335,149 that represent \$242,042 in accounts payable, \$737,028 due to officers and \$273,898 of accrued interest.

NOTE 7. OTHER LIABILITIES

Other long-term liabilities are reported as convertible debt, secured debt, and loans payable to shareholders. On December 31, 2013, the Company recorded total other long-term liabilities of \$1,335,149. Some liabilities bear interest at 10% per annum on the unpaid principal balance. Liabilities are due upon demand of the shareholders and may be paid with stock if agreed to by the shareholders.

NOTE 8. CONTINGENT LIABILITIES

During 2012, the Company entered into a payment plan with Pacific Gas and Electric along with a shareholder of the Company that arranged for a secured bond that would pay up to \$85,000 in payments for

which the Company could become delinquent. In the event the bond is drawn upon, the shareholder will accrue a debt with the Company under terms that would be determined at that time.

NOTE 9 STOCKHOLDERS EQUITY

Preferred Stock

The Company has authorized 4,000,000 Preferred Class A Shares and 700,000 Preferred Class B Shares. Each Preferred A Share has 100 votes and is convertible into 100 common shares. Each Preferred Class B Share is non-voting and can be converted into 1,000 shares of common stock.

At December 31, 2013, the Company had 2,340,000 Preferred Class A Shares issued and outstanding.

On May 13, 2012, the Company issued 130,000 Preferred Class B Shares to its Chairman for past services rendered.

During the quarter ended September 30, 2012, the Company issued 57,292 Preferred Class B Shares as part of the acquisition of Global Publishing and cancelled 10,340 Preferred Class B Shares from conversions into common stock.

During the quarter ended December 31, 2012, the Company cancelled 24,000 Preferred Class B Shares from conversions into common stock.

During the quarter ended March 31, 2013 the Company issued 50,000 Preferred Class B Shares valued at \$50,000 to a joint venture partner. During the same quarter, four individuals and one company converted 18,100 Preferred B Shares into common stock.

During the six months ended December 31, 2013 the Company converted 88,000 Preferred Class B Shares valued at \$88,000 to various holders into 88,000,000 shares of common stock.

At December 31, 2013, the Company had 226,584 Preferred Class B Shares issued and outstanding.

Common Stock

At June 30, 2010, the Company had 74,863,875 common shares outstanding. On September 20, 2010, the Company reversed its issued and outstanding common shares at a ratio of 20 to 1. The reverse stock split was approved by a majority of the Board of Directors of the Company on June 20, 2010. The Company's reverse split resulted in 3,374,194 common shares outstanding as of September 20, 2010.

On July 10, 2012, the Company issued 16,666,667 restricted common shares to a corporation as collateral for a secured \$20,000 loan to the Company.

On July 16, 2012 the Company issued 1,500,000 common shares to a corporation in exchange for retiring \$5,000 of principal in its original \$25,000 convertible debenture. See paragraph two of Note 3 to these financial statements.

On July 20, 2012 the Company issued 3,592,800 common shares to a corporation in exchange for retiring

\$11,497 of principal in its original \$40,000 convertible debenture. See paragraph three of Note 3 to these financial statements.

On September 13, 2012 the Company issued 2,180,074 common shares to a corporation in exchange for retiring \$5,000 of principal in its original \$25,000 convertible debenture. See paragraph two of Note 3 to these financial statements.

On November 30, 2012 the Company issued 7,500,000 common shares for debt incurred over a year prior for services to a corporation and an additional 7,500,000 common shares for debt incurred over a year prior for services to an individual.

During the quarter ended December 31, 2012, the Company issued 24,000,000 to Preferred B shareholders that exercised their conversion privileges. In addition, the Company issued 15,690,323 common shares for debt conversions of two entities for a value of \$21,497.

During the quarter ended March 31, 2013 the Company issued 115,912,696 common shares under note conversions to two companies as described in paragraphs 3 and 5 of Note 4 of this report. Also during the quarter 31,000,000 common shares were issued to three individuals and one corporation for consulting services valued at \$31,000. During the same quarter four individuals and one company converted 18,100 Preferred B Shares into 18,100,000 common shares.

During the quarter ended June 30, 2013 the Company issued 165,974,231 common shares under note conversions valued at \$75,093 to three companies and one individual as described in paragraphs 3,5,6 and 11 of Note 3 of this report. During the same quarter the Company issued 12,000,000 common shares for services valued at \$1,200.

During the six months ended December 31, 2013 the Company converted 88,000 Preferred Class B Shares valued at \$88,000 to various holders into 88,000,000 shares of common stock. Also, the Company issued 12,000,000 common shares for services valued at \$76,250 and 65,000,000 common shares under a subscription receivable for \$25,000.

The Company has 1.5 billion common shares authorized and had 690,069,052 common shares issued and outstanding at December 31, 2013.