

**FIDELITY HOLDING CORP.**  
**ANNUAL REPORT**  
**Annual Report for the Period Ending December 31, 2016**

**Item 1. The Exact Name of the Issuer and its Predecessor (if any):**

Fidelity Holding Corp. was originally incorporated under the laws of the state of Colorado on January 12, 1998 as Thor Management Group, Inc. (TMPG). On June 18, 1998, the name of the Company was changed to AXYN Corporation (AXYN). On April 9, 2004, the name of the Company was changed to Chef Selections, Inc. (CFSC). On January 12, 2010, the name of the Company was changed to Talisman Holdings, Inc. (TMHO). On August 20, 2014, the name of the Company was changed to the present Fidelity Holding Corp. (FDHC) to more accurately reflect current business activities.

**Item 2. Address of its Principal Executive Offices.**

(i) Corporate Address

Fidelity Holding Corp.  
1560 Elk Street  
Rock Springs, WY 82901  
Phone: (307) 350-2339  
Email: mbozner.fidelityholding@gmail.com  
Company Website:

(ii) IR Contact

Michael Bozner  
1560 Elk Street  
Rock Springs, WY 82901  
Phone: (307) 350-2339  
Email: mbozner.fidelityholding@gmail.com

**Item 3. Security Information**

- (i) Trading Symbol: FDHC
- (ii) Exact Title and Class of Securities Outstanding: Common Stock
- (iii) CUSIP: 31618P 103
- (iv) Par or Stated Value: \$0.0001 per share
- (v) Total Shares Authorized: 1,000,000,000 as of 12/31/2016
- (vi) Total Shares Outstanding: 6,433,214 as of 12/31/2016

#### Transfer Agent

Quicksilver Stock Transfer  
1980 Festival Plaza Drive, Suite 530  
Las Vegas, Nevada 89135  
Telephone: (702) 629-1883  
Facsimile: (702) 562-9791

Quicksilver Stock Transfer is currently registered under the Exchange Act and is an SEC regulated and approved transfer agent.

#### Restrictions

List any restrictions on the transfer of the security: There are no restrictions on transfer.

#### Trading Suspension Orders

There have been no trading suspension orders issued by the SEC in the last 12 months.

### **Item 4. Issuance History**

The following indicates all offerings of securities, public or private, within the last two years:

- (i) The nature of each offering: Private placement
- (ii) Any jurisdictions where the offering was registered or qualified: Not applicable.
- (iii) The number of shares offered: 1,292,402.
- (iv) The number of shares sold: 1,292,402.
- (v) The price at which the shares were offered, and the amount actually paid to the Issuer: Offered at \$0.08 per share, Company received \$100,270.
- (vi) The trading status of the shares: Restricted per Rule 144
- (vii) Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act, and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act: The shares bear the standard Rule 144 legend.

### **Item 5. Financial Statements**

Financial Statements for the period ending December 31, 2016 are separately attached at the end of this Report, marked Exhibit A, and incorporated herein by reference. The statements include:

1. Balance Sheet;
2. Statement of Income;
3. Statement of Cash Flows;
4. Statement of Changes in Stockholders' Equity; and
5. Notes to the Financial Statements



## **Item 6. Description of the Issuer's Business, Products and Services**

### **(i) Description of the Issuer's Business Operations**

The Company is structured as a holding company with long term growth strategy predicated on creating or acquiring operating subsidiaries or affiliates, which are owned in whole or in part by the Company. To that end, the Company intends to actively pursue a course of formation and acquisition of so as to create a coalition of sister companies within the corporate framework which all have a synergy of interest. It is the opinion of management that such an interrelated group of companies provide a strong working foundation, and that this structure maximizes strengths and potential profits. Management also favors the holding company structure because in the long term it provides diversity of risk, while at the same time creating unlimited possibilities for explosive yet controlled growth and expansion.

Presently, in furtherance of its business plans, the Company has finalized the acquisition of Rebel Resources, Inc., which will be its flagship subsidiary. Rebel Resources, Inc. is developing proprietary advanced technology which is focused on the recovery of heavy oil from mature onshore U.S. fields. Worldwide, heavy oil is twice the resource conventional light crude oil, and it is estimated that as much as two-thirds of the oil in mainland U.S. reserves has been left behind. Experts believe these abandoned wells could hold 377 billion barrels – more than double the cumulative U.S. production to date. The Rebel thermal technology accesses and unlocks the door to this underexploited resource. It provides a low cost alternative for production without typical exploration and drilling cost.

### **(ii) Date and State of Incorporation**

Fidelity Holding Corp. was originally incorporated under the laws of the State of Colorado on January 12, 1998 as Thor Management Group, Inc. (TMPG). On June 18, 1998, the name of the Company was changed to AXYN Corporation (AXYN). On April 9, 2004, the name of the Company was changed to Chef Selections, Inc. (CFSC). On January 12, 2010, the name of the Company was changed to Talisman Holdings, Inc. (TMHO). On August 20, 2014, the name of the Company was changed to the present Fidelity Holding Corp. (FDHC) to more accurately reflect current business activities.

### **(iii) The Issuer's Primary and Secondary SIC Codes. The Primary SIC code for the Company is 6719 and the secondary SIC code is 1311.**

### **(iv) The Issuer's Fiscal Year End Date: December 31<sup>st</sup>.**



(v) Principal Products and Services and their Markets

The business plan of Fidelity Holding Corp. presently centers on owning, in whole or part, an interest in various subsidiaries or affiliates. Its primary focus, at present, is directed toward the oil and gas industry. It is in the process of finalizing the acquisition of Rebel Resources, Inc. The following is a brief summary of that company:

**REBEL RESOURCES, INC.**

Company operations are focused on the recovery of heavy oil. Heavy oil has more than double the reserves of conventional oil, according to Schlumberger (SLB). Most of the current and historical oil production has come from conventional reservoirs, which contain oil which is sufficiently viscous to be pumped using well pressure and non-specialized pumps. Heavy oil is more viscous (thicker, like molasses) than conventional oil, so it is much more difficult to extract from the ground. Currently, the volume of heavy oil production is only a fraction of the production from conventional oil. However, going forward, it is almost certain that the world's dependence on heavy oil production will increase due to the massive reserve base of heavy oil and projected increased demand from Asia and developing countries.

The size and the enormous potential of heavy oil is illustrated by the following:

- U.S. heavy oil reserves approach 100 billion barrels of original-oil-in-place (OOIP)
- Reserves are concentrated in 2480 large reservoirs, holding 80 billion barrels of OOIP
- Numerous states, such as California, Alaska, Wyoming, Arkansas, Louisiana, Mississippi, Kansas, Utah, Oklahoma and Texas contain significant volumes.

Heavy oil is most often found in reservoirs that are relatively shallow, and which contain thick moderately viscous oil. It is interesting to note that stripper wells (those producing less than 10 barrels per day, with an average production of two barrels) account for four to five percent of daily oil consumption in the U.S. and 28-30% of the production in the U.S.

For the past several years the Company has studied and examined various production methods relative to the production of heavy oil. Thermal recovery methods emerged as the clear method of choice. Consequently, the Company has worked to refine a second generation unit for enhanced oil recovery which was originally designed, engineered and fabricated in the 1980's. The original prototype was successfully proven, but because of existing oil prices it was not then commercially feasible. Company engineers, using the original system as a model, have finalized and perfected a superheated steam generator which maintains high electrical efficiency.



By utilizing this approach, heavy oil may be recovered by introducing heat into the reservoir through thermally controlled processes. Oil is not found in conventional pools, but rather is held in porous rocks. After primary recovery, and after traditional flushing (secondary recovery), approximately 60% or more of the original oil is still in place stuck to fractured rocks.

The Company intends to utilize its proprietary thermal technology for use in recovering crude oil. Thermal recovery in this instance involves the introduction of steam heat to lower the viscosity, or thin, the heavy oil so as to improve its ability to flow through the reservoir. In simple terms, the Company's machine injects superheated steam into the lowermost confines of an oil well to facilitate subsequent liberation of heavy crude oil. Once sufficient steam has been injected into a well, the reduced viscosity of the resultant substance facilitates pumping through conventional techniques for subsequent refining.

Low permeability heavy oil resources offer potential for adding to U.S. reserves. Diatomite formations in California alone contain 12-80 billion barrels of OOIP that could be tapped with a successful thermal recovery – primarily steam injection – scheme.

The competitive advantages afforded by this system are as follows:

- No exploration risk – the Company's portfolio will be comprised of mature fields with proven reserves – production growth is not dependent on exploration drilling and the high degree of speculation in making new oil discoveries.
- No international or offshore risk – the Company's onshore U.S. operations are not subject to geopolitical uncertainties, dependence on foreign sources and other issues related to overseas operations.
- Compactness and fabrication costs – the steam generator fits in the back of a long-bed full-size pickup truck and currently costs approximately \$50,000 to fabricate.
- Mature oil fields mean no drilling costs – the Company's focus on marginally producing small- to mid-sized legacy oil assets faces minimal competition so far. Legacy fields have good production records and data that support the acquisition process and subsequent development.
- Superior technology – current steam extraction can achieve maximum temperatures of approximately 500 degrees F. The Company's steam generator can achieve temperatures of 1,200 to 2,000 degrees F. Extreme temperatures also improve extraction of heavy oils in surrounding wells.
- No polluting surfactants and no residual toxic solvents – no greenhouse gases generated.
- No pipelines or injection wells needed to deliver the steam – the superheated steam is delivered down the well bore through our proprietary casing within the existing production casing.



- No insulated pipelines needed to keep produced oil warm – oil is delivered and remains at an extremely high temperature.
- No separation techniques needed – the oil contains no water, solvents or sand.

The Company believes it has developed a logical and well-defined marketing strategy which will enable it to quickly establish a profitable business base. The Company will structure varying approaches for different market sectors. Rebel's priority strategy is to acquire leases on premier heavy oil reserves and to directly own and operate the recovery facilities and sell the extracted crude oil product.

There will be situations where the owner-operator product strategy either will not work or will not work effectively. In such cases, the Company will market an additional line of "business partnership" product offerings, with variations, to prospective clients. Circumstances may dictate the prudence of selling a joint business development relationship rather than developing the reserve as an owner-operator. Alternative approaches could include:

- Third parties owning or leasing reserves and desiring to participate with the Company in the recovery process – with desired customer participation ranging from being in total control to being a silent partner.
- License – cash plus royalty fee
- Consulting service – implementation and operation
- Operating contract
- Limited partnership

The oil industry has transitioned into an explosive growth cycle, and the forecast for oil prices is very favorable with most analysts suggesting a continued, growing upsurge in prices.

Management believes Rebel has an opportunity to capture a market niche in a fresh way. The opportunity is magnified by the present state of today's economy and the global oil situation. Development of existing oil resources has become of paramount import.

#### **Item 7. Description of Issuer's Facilities**

The Company maintains its office at 1560 Elk Street, Rock Springs, WY 82901.

#### **Item 8. Officers, Directors and Control Persons**

(i) Name of Officers, Directors and Control Persons. The names of the present Officers, Directors and Control Persons are as follows:

**Michael Bozner**, President and Director, Rock Springs, WY. Mr. Bozner attended the University of Utah and the University of Hawaii, graduating with a B.A. in Business Management. During his 30 years of experience in the oil and gas industry he has lead and coordinated sales teams, directing new projects and developing successful leaders.

Throughout his career he has evaluated hundreds of oil and gas ventures. Mr. Bozner has participated in a wide range of oil and gas exploration and production projects in many different formations and at various depths. He also held senior positions in Strategic Planning, responsible for strategy, financial and economic valuation and Business Development. His extensive experience with oilfield equipment and specialized applications has given him the opportunity to build valuable relationships with many industry leaders. Mr. Bozner has successfully negotiated transactions with major oil and gas companies and both foreign and domestic independent operators. He has been active in his community having been involved with developing character and directing young athletes.

(ii) Legal, Disciplinary History

Identify whether any of the foregoing persons have, in the past five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

NONE

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

NONE

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated;

NONE

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

NONE

(iii) Beneficial Shareholders

Shareholders holding more than five percent (5%) of the issued and outstanding common stock of the Company.



<u>Name and Position</u>	<u>Percentage Owned</u>
Michael Bozner 1560 Elk Street Rock Springs, WY 82901 President and Director	57.5%

**Item 9. Third Party Providers**

1. Counsel: Thomas C. Cook, Esq., Las Vegas, Nevada
2. Accountant or Auditor: Blue Chip Accounting, Henderson, Nevada
3. Public Relations Consultant: Not applicable.
4. Investor Relations Consultant: Not applicable.
5. Any other advisor(s) that assisted, prepared or provided information with respect to this disclosure statement: None.

**Item 10. Issuer's Certification.**

I, Michael Bozner, certify that:

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

Date: December 31, 2016

/s/ Michael Bozner

Michael Bozner  
President and Director



## **FIDELITY HOLDINGS CORP**

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FIDELITY HOLDING CORP.  
CONSOLIDATED BALANCE SHEETS  
(UNAUDITED)

	December 31, 2016	December 31, 2015
ASSETS		
Current assets		
Cash	\$ 718	\$ 3,052
Total current assets	718	3,052
 Total assets	 \$ 718	 \$ 3,052
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities		
Accounts payable and accrued liabilities	\$ 24,493	\$ 15,000
Loans	14,750	-
Loans from related party	6,411	3,035
Convertible notes payable, net of unamortized debt discount	75,000	75,000
Total current liabilities	120,654	93,035
 Total liabilities	 120,654	 93,035
Stockholders' deficit		
Common stock; \$0.0001 par value; 1,000,000,000 shares authorized; 6,433,214 and 6,433,214 shares issued and outstanding at December 31, 2016 and December 31, 2015, respectively	643	643
Additional paid-in capital	2,824,141	2,824,141
Accumulated deficit	(2,944,720)	(2,914,767)
Total stockholders' deficit	(119,936)	(89,983)
 Total liabilities and stockholders' deficit	 \$ 718	 \$ 3,052



FIDELITY HOLDING CORP.  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(UNAUDITED)

	For the Years Ended	
	<u>December 31, 2016</u>	<u>December 31, 2015</u>
Revenues	\$ -	\$ -
Cost of revenues	<u>-</u>	<u>-</u>
Gross profit	-	-
Operating expenses		
General and administrative	2,779	44,499
Stock based compensation	-	2,280,000
Consulting	-	37,171
Professional fees	<u>17,681</u>	<u>32,640</u>
Total operating expenses	<u>20,460</u>	<u>2,394,310</u>
Loss from operations	(20,460)	(2,394,310)
Other income and (expense)		
Interest Expense	<u>(9,493)</u>	<u>(7,500)</u>
Total other expense	<u>(9,493)</u>	<u>(7,500)</u>
Net loss	<u>\$ (29,953)</u>	<u>\$ (2,401,810)</u>
Basic loss per common share	<u>\$ (0.00)</u>	<u>\$ (0.46)</u>
Basic weighted average common shares outstanding	<u>6,433,214</u>	<u>5,177,933</u>

FIDELITY HOLDING CORP.  
CONSOLIDATED STATEMENTS OF SHAREHOLDERS DEFICIT  
(UNAUDITED)

	Common Stock		Additional	Accumulated	Stockholders'
	Shares	Amount	Paid-in Capital	Deficit	Deficit
Balance, December 31, 2014 (unaudited)	3,620,812	\$ 362	\$ 448,152.00	\$ (512,957)	\$ (64,443)
Issuance of stock for cash	1,292,402	129	100,141	-	100,270
Distribution to shareholder	-	-	(4,000)	-	(4,000)
Assumption of Convertible debts	-	-	-	-	-
Issuance of stock for services	1,520,000	152	2,279,848	-	2,280,000
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(2,401,810)</u>	<u>(2,401,810)</u>
Balance, December 31, 2015 (unaudited)	<u>6,433,214</u>	<u>\$ 643</u>	<u>\$ 2,824,141</u>	<u>\$ (2,914,767)</u>	<u>\$ (89,983)</u>
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>(29,953)</u>	<u>(29,953)</u>
Balance, December 31, 2016 (unaudited)	<u>6,433,214</u>	<u>\$643.00</u>	<u>2,824,141</u>	<u>(2,944,720)</u>	<u>\$ (119,936)</u>



FIDELITY HOLDING CORP.  
CONSOLIDATED STATEMENTS OF CASHFLOWS  
(UNAUDITED)

	For the Years Ended	
	December 31, 2016	December 31, 2015
Cash flows from operating activities:		
Net loss	\$ (29,953)	\$ (2,401,810)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	-	2,280,000
Changes in operating assets and liabilities:		
Increase in accounts payable and accrued liabilities	9,493	7,500
Increase in Loans	14,750	-
Net cash used in operating activities	(5,710)	(114,310)
Cash flows from investing activities:		
Investments in fixed assets	-	-
Net cash used in investing activities	-	-
Cash flows from financing activities:		
Proceeds from sale of common stock	-	100,270
Distributions to Shareholders	-	(4,000)
Proceeds from related party, net of repayments	3,376	3,035
Net cash provided by (used in) financing activities	3,376	99,305
Net change in cash	(2,334)	(15,005)
Cash, beginning of period	3,052	18,057
Cash, end of period	\$ 718	\$ 3,052
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ -	\$ -
Cash paid for tax	\$ -	\$ -
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Non-cash investing and financing activities:		
Assumption of Convertible notes	\$ -	\$ -

**FIDELITY HOLDING CORP**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**(UNAUDITED)**

**NOTE 1 - DESCRIPTION AND HISTORY OF BUSINESS AND HISTORY**

Thor Management Group, Inc. (the "Company"), was incorporated on January 12, 1998 under the laws of the State of Colorado, to engage in any lawful corporate undertaking, including, but not limited to, selected mergers and acquisition. On January 12, 2010, a change in entity name was filed with the Colorado Secretary of State to Fidelity Holding Corp.

The Company was formed by Scott M. Thorncock, the initial director, for the purpose of creating a corporation which could be used to consummate a merger or acquisition. Mr. Thorncock served as President, Secretary, and Treasurer. The Board of Directors included Scott M. Thorncock and Jeff H. Lee. Mr. Thorncock, the former President and Director, elected to commence implementation of the Company's principal business purpose, described below under "Plan of Operation". As such, the Company can be defined as a "shell" company, whose sole purpose at this time is to locate and consummate a merger or acquisition with a private entity.

On April 23, 2015, a Certification of Amendment was filed with the Colorado Secretary of State assigning Michael J. Bozner as President, Director, and Chairman of the Board. Michael Jon Barlage was assigned as the registered agent, and Carlton Hayden as the Secretary.

In 2013 Fidelity Holding Corp ("FDHC") leased a well that produced heavy crude oil which it intended to process and sell to third parties. Comparable to light crude oil, heavy crude oil is a more expensive product to refine into various products such as gasoline, kerosene, and asphalt, thus making heavy crude oil less desirable and more difficult to sell, but the wells that produce heavy crude can be leased or purchased as a significantly lower amount than light crude producing wells. FDHC had developed a process that made the process of extracting heavy crude that was more economical than other methods previously available on the market.

In 2014, FDHC had successfully extracted a marketable number of barrels of unprocessed heavy crude oil and was actively searching for potential buyers. In late, 2014 the price of oil significantly decreased reducing the economics of refining the extracted and unrefined heavy crude oil. As a result, FDHC was unable sell the oil and instead had dispose of all the oil produced. As a result, it was determined that the planned operations were not feasible under the same circumstances and the company has been in search of a viable oil well to resume operations.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of Fidelity Holding Corp is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management, who are responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America, and have been consistently applied in the preparation of the financial statements.

Going concern – The accompanying financial 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. The Company has incurred cumulative net losses of (\$2,944,720) since its inception and requires capital for its contemplated operational and marketing activities to take place. The Company's ability to raise additional capital through the future issuances of common stock is unknown. The obtainment of additional financing, the successful development of the Company's contemplated plan of operations, and its transition, ultimately, to the attainment of profitable operations are necessary for the Company to continue operations. The ability to successfully resolve these factors raise substantial doubt about the Company's ability to continue as a going concern. The financial statements of the Company do not include any adjustments that may result from the outcome of these aforementioned uncertainties.

Basis of Presentation – The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America. All references to Generally Accepted Accounting



**FIDELITY HOLDING CORP**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**(UNAUDITED)**

Principles ("GAAP") are in accordance with The FASB Accounting Standards Codification ("ASC") and the Hierarchy of Generally Accepted Accounting Principles.

Use of estimates – The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Cash and cash equivalents – For purposes of the statement of cash flows, the Company considers all highly liquid investments and short-term debt instruments with original maturities of three months or less to be cash equivalents. There were \$718 and \$3,052 in cash and cash equivalents as of December 31, 2016 and December 31, 2015, respectively.

Fair Value of Financial Instruments – The carrying amounts reflected in the balance sheets for cash, accounts payable and accrued expenses approximate the respective fair values due to the short maturities of these items. The Company does not hold any investments that are available-for-sale.

As required by the Fair Value Measurements and Disclosures Topic of the FASB ASC, fair value is measured based on a three-tier fair value hierarchy, which prioritizes the inputs used in measuring fair value as follows: (Level 1) observable inputs such as quoted prices in active markets; (Level 2) inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and (Level 3) unobservable inputs in which there is little or no market data, which require the reporting entity to develop its own assumptions.

The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2: Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability;

Level 3: Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity)

Revenue recognition – The Company recognizes revenue on arrangements in accordance with Securities and Exchange Commission Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements" and No. 104, "Revenue Recognition". In all cases, revenue is recognized only when the price is fixed or determinable, persuasive evidence of an arrangement exists, the service is performed and collectability is reasonably assured. For the period ending December 31, 2016, the Company reported revenues of \$0.

Accounts Receivable – Accounts receivable is comprised of uncollateralized customer obligations due under normal trade terms requiring payment within 60 days from the invoice date. The carrying amount of accounts receivable is reviewed periodically for collectability. If management determines that collection is unlikely, an allowance that reflects management's best estimate of the amounts that will not be collected is recorded. Management reviews each accounts receivable balance that exceeds 60 days from the invoice date and, based on an assessment of creditworthiness, estimates the portion, if any, of the balance that will not be collected. As of December 31, 2016, the Company had not recorded a reserve for doubtful accounts.

Long-lived Assets – In accordance with the Financial Accounting Standards Board ("FASB") Accounts Standard Codification (ASC) ASC 360-10, "Property, Plant and Equipment," the carrying value of intangible assets and other long-lived assets is reviewed on a regular basis for the existence of facts or circumstances that may suggest impairment. The Company recognizes impairment when the sum of the expected undiscounted future cash flows is less than the carrying amount of the asset. Impairment losses, if any, are measured as the excess of the carrying amount of the asset over its estimated fair value.



**FIDELITY HOLDING CORP**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**(UNAUDITED)**

Income taxes – The Company accounts for its income taxes in accordance with FASB Codification Topic ASC 740-10, “*Income Taxes*”, which requires recognition of deferred tax assets and liabilities for future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax credit carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Stock-based compensation – The Company follows the guidelines in FASB Codification Topic ASC 718-10 “*Compensation-Stock Compensation*”, which provides investors and other users of financial statements with more complete and neutral financial information, by requiring that the compensation cost relating to share-based payment transactions be recognized in the financial statements. That cost will be measured based on the fair value of the equity or liability instruments issued. ASC 718-10 covers a wide range of share-based compensation arrangements, including share options, restricted share plans, performance-based awards, share appreciation rights and employee share purchase plans. As of December 31, 2016, the Company has not implemented an employee stock based compensation plan.

Non-Employee Stock Based Compensation – The Company accounts for stock based compensation awards issued to non-employees for services, as prescribed by ASC 718-10, at either the fair value of the services rendered or the instruments issued in exchange for such services, whichever is more readily determinable, using the measurement date guidelines enumerated in ASC 505-50. The Company may issue compensatory shares for services including, but not limited to, executive, management, accounting, operations, corporate communication, financial and administrative consulting services. (Convertible Note?)

Earnings (loss) per share – The Company reports earnings (loss) per share in accordance with Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“ASC”) 260-10 “*Earnings Per Share*”, which provides for calculation of “basic” and “diluted” earnings per share. Basic earnings per share includes no dilution and is computed by dividing net income or loss available to common stockholders by the weighted average common shares outstanding for the period. Diluted earnings per share reflect the potential dilution of securities that could share in the earnings of an entity. The calculation of diluted net loss per share gives effect to common stock equivalents; however, potential common shares are excluded if their effect is anti-dilutive.

Recent Accounting Pronouncements – The Company has evaluated the all recent accounting pronouncements through ASU 2017-07, and believes that none of them will have a material effect on the Company’s financial position, results of operations or cash flows.

### **NOTE 3 – DUE TO RELATED PARTIES**

During the period ended December 31, 2016 our CEO, advanced \$3,376 for operating expenses on behalf of the Company. As of December 31, 2016 a total of \$6,411 is due to our CEO for prior advances. The advances bear no interest and are due upon demand.

### **NOTE 4 – CONVERTIBLE NOTES PAYABLE**

On December 15, 2007, the Company entered into a convertible promissory note pursuant to which it borrowed \$25,000. Interest under the convertible promissory note is 10% per annum, and the principal and all accrued but unpaid interest was due on December 15, 2009. The note is convertible at the noteholders option into shares of our common stock at a fixed conversion price of 15 shares for every dollar of debt outstanding. The note also carries lien rights on all property of the Company. The note is in technical default although no demand for payment or notice of security rights has been received.



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On August 1, 2008, the Company entered into a convertible promissory note pursuant to which it borrowed \$25,000. Interest under the convertible promissory note is 10% per annum, and the principal and all accrued but unpaid interest was due on August 1, 2010. The note is convertible at the noteholders option into shares of our common stock at a fixed conversion price of 17 shares for every dollar of debt outstanding. The note also carries lien rights on all property of the Company. The note is in technical default although no demand for payment or notice of security rights has been received.

On June 30, 2009, the Company entered into a convertible promissory note pursuant to which it borrowed \$25,000. Interest under the convertible promissory note is 10% per annum, and the principal and all accrued but unpaid interest was due on June 30, 2011. The note is convertible at the noteholders option into shares of our common stock at a fixed conversion price of 13 shares for every dollar of debt outstanding. The note also carries lien rights on all property of the Company. The note is in technical default although no demand for payment or notice of security rights has been received.

**NOTE 5 –INSTALLMENT LOAN**

On April 29, 2016, the Company entered into a promissory note pursuant to which it may borrowed up to \$32,000. Interest under the convertible promissory note is 20% per annum, and the principal and all accrued but unpaid interest are due on November 1, 2016. If paid after November 1, 2016 the interest rate will increase to 29% and a late payment penalty of \$320 will be due. During the period ending December 31, 2016 the Company had borrowed \$14,750 and incurred interest charges of \$1,993. As of December 31, 2016 not payments had been made against principal or interest.

**NOTE 6 – STOCKHOLDERS' DEFECIT**

The Company is authorized to issue 1,000,000,000 shares of \$0.001 par value common stock. The Company had 6,433,214 and 6,433,214 issued and outstanding shares of common stock as of December 31, 2016 and December 31, 2015, respectively.

Items effecting shareholders' equity

Fiscal year ending December 31, 2015

During the year ending December 31, 2015, the Company received \$100,270 pursuant to private placement agreements with investors to purchase 1,292,402 shares of the Company's \$0.0001 par value common.

During the year ending December 31, 2014, the Company distributed \$4,000 in cash to shareholders.

During the year ending December 31, 2015, the Company issued \$1,520,000 shares of the Company's \$0.0001 par value common to officers and consultants for services. The fair value of the shares was deemed to be \$1.50 per share or \$2,280,000.

**NOTE 7 – SUBSEQUENT EVENTS**

The Company has evaluated events subsequent to the balance sheet through the issuance date of these financial statements in accordance with FASB ASC 855 and has determined that there are no such events that would require adjustment to, or disclosure in, the financial statements.