

Disclosure Statement



Novus Acquisition & Development Corp

A Nevada Corporation
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Annual Report

For the Period Ending: December 31, 2018
(the "Reporting Period")

Financial Overview:

Fourth Quarter 2018 and Year End 2018 Highlights:

- ❖ Revenue increased 30% to \$49,355 for the three months ended December 31, 2018, as compared to the three months ended December 31, 2017
- ❖ Revenue increased 38% to \$180,171 for the twelve months ended December 31, 2018, as compared to the twelve months ended December 31, 2017
- ❖ 10 consecutive quarters of revenue growth
- ❖ Demonstrated 38-53% profit margin pricing structure in its business model throughout the year of 2018
- ❖ Net income decreased 14% to \$18,794 for the three months ended December 31, 2018, as compared to the three months ended December 31, 2017, due to the investment in the Telemedicine platform
- ❖ Net income increased 48% to \$95,912 for the twelve months ended December 31, 2018, as compared to the twelve months ended December 31, 2017
- ❖ No dilution to the total shares outstanding for this quarter, and no insider sales from management or directors
- ❖ Shareholder equity remained strong with an increase to \$1,395,552 at December 31, 2018, from \$1,360,207 at December 31, 2017
- ❖ Cash and Cash Equivalents increased to \$115,173 at December 31, 2018, from \$102,888 at December 31, 2017

As of January 1, 2019, the number of shares outstanding of our Common Stock was:

Number of shares: 98,733,624

As of September 30, 2018, the number of shares outstanding of our Common Stock was:
98,733,624

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐

No: ☒ (Double-click and select "Default Value" to check)

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐

No: ☒

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: ☐

No: ☒

1) Name of the issuer and its predecessors (if any)

The name of the issuer from 2006 to 2009 was known as BrandQuest Development Group, Inc. and on May of 2009 the name changed to Novus Acquisition & Development Corp, a Nevada Corp

Nevada (active): Link to the Nevada Division of Corporations: <https://bit.ly/2HvJYeC>

California Insurance Licensing: Click Here: [0K41569](#)

Has the issuer or any of its predecessors ever been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐

No: ☒

2) Security Information

Trading symbol: NDEV

Exact title and class of securities outstanding: Common

CUSIP: 67011R205

Par or stated value: \$.001

Total shares authorized: 200,000,000 as of date: January 1, 2019

Total shares outstanding: 98,733,624 as of date: January 1, 2019

Number of shares in the Public Float²: 19,877,556 as of date: January 1, 2019

Total number of shareholders of record: 98,733,624 as of date: January 1, 2019

Additional class of securities (if any):

Trading symbol: NDEV

Exact title and class of securities outstanding: Series A Preferred

CUSIP: 67011R205

Par or stated value: \$.001

Total shares authorized: 6,600 as of date: Jan, 2015

Total shares outstanding: 6,600 as of date: Jan 1, 2019

Transfer Agent

Name: Olde Monmouth Stock Transfer
Phone: 732-872-2727
Email: Jeff@oldemonmouth.com

Is the Transfer Agent registered under the Exchange Act³ Yes: ☒ No: ☐

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors:

NA

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

N/A

3) Issuance History

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

Number of Shares outstanding as of <u>Jan 1, 2019</u>		<u>Opening Balance:</u> Common: <u>98,733,624</u> Preferred: <u>6,600</u>		*Right-click the rows below and select "Insert" to add rows as needed.					
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?

<u>June 2016</u>	<u>Issuance</u>	<u>2,000,000</u>	<u>Common</u>	<u>\$.001</u>	<u>No</u>	<u>Frank Labrozzi</u>	<u>Employment Contract</u>	<u>Restricted</u>	<u>N/A</u>
<u>June 2016</u>	<u>Issuance</u>	<u>120,000</u>	<u>Common</u>	<u>\$.001</u>	<u>No</u>	<u>*Denise Belle</u>	<u>Consulting Contract</u>	<u>Restricted</u>	<u>N/A</u>
<u>June 2016</u>	<u>Issuance</u>	<u>1,000,000</u>	<u>Common</u>	<u>\$.001</u>	<u>No</u>	<u>*Hayden IR Inc</u>	<u>Consulting Contract</u>	<u>Restricted</u>	<u>N/A</u>
<u>June 2016</u>	<u>Issuance</u>	<u>500,000</u>	<u>Common</u>	<u>\$.001</u>	<u>No</u>	<u>*Tysadco Partners LLC</u>	<u>Consulting Contract</u>	<u>Restricted</u>	<u>N/A</u>
<u>September 2016</u>	<u>Issuance</u>	<u>1,500,000</u>	<u>Common</u>	<u>\$.001</u>	<u>No</u>	<u>*Hayden IR, Inc.</u>	<u>IR Contract</u>	<u>Restricted</u>	<u>N/A</u>
<u>March 2017</u>	<u>Issuance</u>	<u>500,000</u>	<u>Common</u>	<u>\$.001</u>	<u>No</u>	<u>*Tysadco Partners LLC</u>	<u>Consulting Contract</u>	<u>Restricted</u>	<u>N/A</u>
<u>March 2017</u>	<u>Issuance</u>	<u>2,000,000</u>	<u>Common</u>	<u>\$.001</u>	<u>No</u>	<u>Frank Labrozzi</u>	<u>Employment Contract</u>	<u>Restricted</u>	<u>N/A</u>
<u>July 2017</u>	<u>Issuance</u>	<u>500,000</u>	<u>Common</u>	<u>\$.001</u>	<u>No</u>	<u>*Tysadco Partners LLC</u>	<u>Consulting Contract</u>	<u>Restricted</u>	<u>N/A</u>
<u>January 2018</u>	<u>Issuance</u>	<u>2,000,000</u>	<u>Common</u>	<u>\$.001</u>	<u>No</u>	<u>Frank Labrozzi</u>	<u>Employment Contract</u>	<u>Restricted</u>	<u>N/A</u>
<u>January 2018</u>	<u>Issuance</u>	<u>500,000</u>	<u>Common</u>	<u>\$.001</u>	<u>No</u>	<u>*Tysadco Partners LLC</u>	<u>Consulting Contract</u>	<u>Restricted</u>	<u>N/A</u>
<u>June 2018</u>	<u>No Issuance</u>								
<u>September 2018</u>	<u>No Issuance</u>	<u>500,000</u>	<u>Common</u>	<u>\$.001</u>	<u>No</u>	<u>*Tysadco Partners LLC</u>	<u>Consulting Contract</u>	<u>Restricted</u>	<u>N/A</u>
Shares Outstanding on <u>January 1, 2019:</u>	<u>Ending Balance:</u> Common: <u>98,733,624</u> Preferred: <u>6,600</u>								

On January 1, 2015, the Company entered into a services agreement with Tysadco Partners for 833,333 warrants convertible into 500,000 shares for each 180 day period and recurring unless terminated with a leak out provision, resulting in an issuance of 500,000 shares in third quarter of 2018.

As of year to date the company has unregistered options issued to the following entities

Tysdaco Partners LLC for 833,333 warrants convertible to 500,000 shares with a leak out provision (a call has been put on this warrant conversion)

Tysdaco Partners LLC for 833,333 warrants convertible to 500,000 shares with a leak out provision (a call has been put on this warrant conversion)

Use the space below to provide any additional details, including footnotes to the table above:

Leak Out Provisions of Common Stock Issued From Treasury:

Note: There is an asterisk beside the name of the Entity/Individual shares are issued too, they are subject to a mandatory leak out provision. The terms are:

Any issuance is subject to restrictions on the transfer of security: Any and all shares that have been issued since August 2015 have leak out provisions, for the protection of shareholders who purchase shares on the open market, this protection mechanism offers safety that any vendor or insider that sell shares that are vested and liquidate in responsible manner. Any shares issued, vested and/or redeemed shall have leak out restrictions of 5%-10% of the average daily volume from the last 30 days.

B. Debt Securities, Including Promissory and Convertible Notes

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder	Reason for Issuance (e.g. Loan, Services, etc.)
<u>None</u>							

Use the space below to provide any additional details, including footnotes to the table above:

N/A

4) Financial Statements

A. The following financial statements were prepared in accordance with:

- ☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

Name: Frank Labrozzi
Title: CEO
Relationship to Issuer: Officer/Director

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance sheet; (contained herein)
- D. Statement of income; (contained herein)
- E. Statement of cash flows; (contained herein)
- F. Financial notes; and (contained herein)

5) Issuer's Business, Products and Services

Introduction

Novus through its wholly owned subsidiary WCIG Insurance Service, Inc. (WCIG) is a California insurance entity. Novus' has a health plans where it can render risk and non-risk insurance models in:

- a) Sell policies nationwide in CBD concentrate cannabis space,
- b) Approved for selling traditional plans such as dental vision, hearing, telemedicine nationally and;
- c) Approved to sell THC plans in the following states

- Oregon
- Michigan
- Colorado
- New York
- Florida
- Hawaii
- Arizona
- California
- Massachusetts
- Vermont

Novus' built of their legal cannabis insurance infrastructure and rolled out in 2017 found the emerging growth of the medical marijuana market in the United States and Canada with a combined projected revenue of \$20.0 billion in sales with double-digit growth projections to \$35 billion in sales by 2023.

Marijuana legalization had a very good election in November 2018.

The big news came from Michigan, which became the first state in the Midwest to legalize cannabis for recreational purposes. And it appears to have won by a fairly big margin: With 87 percent of precincts reporting, the "yes" vote got 56 percent of the vote — topping the "no" vote by 12 percentage points.

There were also a couple of medical marijuana victories in Missouri and Utah. Both states went Republican in state races (particularly the Senate), yet they still showed solid support for legalizing medical pot. The winning measure in Missouri got 66 percent of the vote, and the initiative in Utah is so far, with 95 percent of precincts reporting, at 53 percent.

The one bit of bad news for legal marijuana came from North Dakota, where voters rejected an initiative that would have legalized cannabis for recreational purposes. That measure got less than 41 percent support.

But the North Dakota loss was widely expected. North Dakota is very conservative; it was always very unlikely to fully legalize pot before, say, liberal New York and New Jersey. The measure's chances were likely lowered further because it was very unusual: It would have legalized selling pot without any regulations, leaving it to the state's lawmakers to quickly enact rules instead. Typically, marijuana legalization measures at least set up a regulatory framework for sales.

In short, marijuana legalization got three major wins and an expected loss.

Beyond the midterm elections, 2018 has been a big year for marijuana legalization. California opened the world's biggest legal marijuana market, Vermont legalized marijuana possession (becoming the first state to do so through its legislature), and Canada became the world's first wealthy nation to fully legalize pot.

At the end of 2018, 10 states have legalized marijuana for recreational and medical uses, and 22 others have legalized only for medical purposes.

After a lengthy process through Congress, the President signed into law The Agriculture Improvement Act of 2018 (the 2018 Farm Bill) on Dec. 20, 2018. The bill replaces the Agriculture Improvement Act of 2014, which expired Sept. 30, 2018. Distributing more than \$850 billion, the 2018 Farm Bill is an enormous piece of legislation that funds programs such as crop insurance, school lunches and the Supplemental Nutrition Assistance Program (SNAP), aka food stamps.

Integrated into the Farm Bill is the bipartisan-supported Hemp Farming Act of 2018. The act's inclusion is significant: industrial hemp and its derived products now are legal on a federal level, and states may choose how to move forward in this exciting new industry.

Spearheaded by Sen. Mitch McConnell (R-KY), The Hemp Farming Act federally legalizes the production of industrial hemp (defined as *Cannabis sativa L.* plants containing less than three-tenths of a percent of tetrahydrocannabinol (THC)). The low concentration of THC makes hemp unsuitable for marijuana production, which remains federally illegal.

The 2018 Farm Bill abolishes this inconsistent treatment by removing industrial hemp from the definition of “marihuana” in the CSA. In addition, THC contained in industrial hemp will be removed from the purview of the CSA, making clear that industrial hemp plants can be grown domestically as well as imported. This amendment to the CSA decriminalizes the production and use of hemp and its derived products that match the definition of industrial hemp, such as seed oil, CBD oil, fibers and paper.

Industrial hemp will not be entirely unregulated, however. The 2018 Farm Bill moves regulatory authority from the CSA and DEA to the Agricultural Marketing Act of 1946 (AMA) and the Department of Agriculture. The AMA authorizes and directs the Secretary of Agriculture to carry out programs to assist the production, transportation and marketing of crops. Now that the Hemp Farming Act of 2018 is law, hemp will be treated the same as any other legal crop by the Department of Agriculture, with a few caveats based on its previous status as a controlled substance and the potential for unscrupulous growers to cultivate strains with high THC levels.

As part of the amendment, State and Tribal governments can create their own regulatory framework for industrial hemp production. Those plans must include:

- a practice to record and describe land on which hemp is grown;
- a procedure for testing THC concentration;
- a procedure for non-compliant product disposal; and
- a procedure for enforcing regulations.

The plan may include anything that does not conflict with federal regulations.

Growth In 2018

The Company showed slight growth in third quarter of 2018 due to the Facebook (FB) rejecting ads that contain the word “cannabis”, this came on the heels of FB Federal Government inquiry on privacy of its users. This has subsided and now we can generate digital ads on FB along with our marketing mix to support the business model, is not solely reliant on FB and we have stepped up other avenues of marketing that have been responsive.

Agreement with Alloy Insurance Services, a new group provider to bundle Novus Cannabis MedPlan, expands footprint. Novus executed a bundling agreement with Alloy Insurance Services LLC, an entity that provides employee benefits and administration services for over 50,000 employees nationwide.

Plans to file as an Health Maintenance Organization (HMO) in the State of California.

Novus Cannabis MedPlan had a positive initial teleconference with the California Department of Managed Health Care (CDMH) regarding filing its Cannabis MedPlan as a Health Maintenance Organization (HMO). Additional follow up reviews and evaluations by CDMH beginning as early as January 2019.

Novus as an HMO will expand its breadth as health insurance carrier through its developed network of provider(s) such as:

- Physicians (for example, family doctors that write cannabis recommendations),
- Specialists (for example, oncologists and ophthalmologists that recommend cannabis) and,
- Med facilities (for example, clinics and cannabis dispensaries/cultivators)

Novus Cannabis MedPlan will initiate as an HMO where it will agree to pay cannabis providers specific levels of compensation for a range of services they provide to its patient/members commencing in the State of California. In return for a monthly fee, or premium, patient/members are granted access to providers inside Novus' cannabis network at no additional cost.

The value add of this premium structure is three-fold:

- Patients: Reduce healthcare costs with likely reimbursement of cannabis meds and services for patient/members.
- Providers: As an HMO cannabis network providers benefits by supplying them with more patients.
- Employers: Growing interest in Novus Cannabis MedPlan by many Professional Employment Organizations that want to integrate THC and CBD Plans for their client base in an HMO format.

Notable Accomplishments from 2018

The achievements are expected to be catalysts for accelerated growth in 2019.

a) Professional Employment Organization (PEO):

PEO's are companies that sell business insurance, employee benefits and administration services on the behalf of employers. During the third quarter of 2018, the emergence of interest from PEO's saw the value proposition of where they can generate revenue by bundling our cannabis health plans. Our current contract with Alloy Insurance Services targets 50,000 employees looking for alternative benefit plans. We expect to enter into similar contracts with additional PEO's making our future growth effort productive.

b) FinTech Alignment:

We contracted with Revolution Insurance Technologies (RIT), a Silicon Valley FinTech that owns a proprietary digital platform that integrates benefit packages from the world's top insurance carriers. This partnership assists insurance broker/agent to create customized packages from diverse carriers and bundle those products that meet the needs and price of the customer. To-date we have recruited 450 agencies/brokers/affiliates to educate and sell our cannabis health plans to the consumer and now with RIT, we send them to one platform that will assist them in efficiently adding our product in one bundled quote.

c) Increase Enrollments with CBD:

In 2018, Novus experienced an increase by 20% of CBD enrollments. This was contributed to our contract with U.S. Hemp Wholesale, the country's leading CBD provider with channels of distribution from the country's top 20 CBD manufacturers that drop-ship to Novus' patient /member network.

The growth potential of CBD could be worth \$20 billion by 2022. The future of CBD and its effectiveness is promising with the Federal Farm Bill that was signed into law before Christmas, permitting all states to cultivate hemp. On a regulatory level this is a complex issue since the new law eliminates hemp-derived products from its Schedule I status under the Controlled Substances Act but does not legalize CBD federally. The only exemption is GW Pharmaceutical's Epidiolex, a pharmaceutical grade of CBD. This action now plays a key part to controlling the barrier of entry for many new CBD products with the cost of research and development contributing to a stronger new market.

d) Challenges From State And Federal Regulators:

2018 reflected many challenges to Novus and the cannabis industry, particularly in the following areas:

- Attorney General Jeff Sessions threatened to dissolve the Cole Memo
- Local law enforcement shutting down numerous Michigan dispensaries, and
- Dramatic increase of taxation by state regulators in certain townships in California

However, all three detriments proved to be short-term and resulted in more positive outcomes by the end of 2018.

Sessions left office without making any impact on the Department of Justice to enforce marijuana prohibition.

In Michigan, we lost 40% of our in-network dispensaries due to new regulations imposed by the state shutting down many retail locations. However, the state has since issued an additional 50 new licenses for the opening of dispensaries in and around the Detroit area, and they are rapidly becoming in-network providers.

The California tax hike resulted in a positive favor for Novus with an increase of patient members enrollments by 5% in that state, showing that Novus has some resiliency to this adversity with the dexterity to adjust and adapt.

e) Expanding Co-Branding Contract:

Marketing our cannabis health plan continues to be challenging with strict federal and state rules as well as restrictive social media platform guidelines making it a constant task to procure new patient/members.

We overcame this obstacle by executing a contract with Enlighten, a well-known in-dispensary interactive advertising platform that educates the consumer at the point of sale with tailored offerings. Its technology platform is intended to increase revenue and awareness and keep customers engaged on Novus' suite of health plan packages. Adding this venue to our marketing and advertising mix is estimated to increase patient/ members this year. You're invited to review our revised benefits packages: <http://bit.ly/2PjDvon>.

2018 States That Are Slow in Cannabis Regulations

Florida

Novus now can implement the sales of their health benefits in the State of Florida projected to be the second largest

cannabis market in the United States, however the State of Florida legislature has delayed a definitive regulatory plan and is expected by March 2019. Many analysts project that Florida's cannabis market will grow to \$1.6 billion by 2020 at a compound annual growth rate of 140%; making it at least half the size of California's projected \$2.6 billion and projecting Florida to be 7.5% of the total legal U.S. cannabis market by 2020.

Texas

In April of 2018 the company began its roll out in Texas in digital advertising and acquiring new Contract Insurance Brokerage Firms, these firms play a role for Novus as they have the clients/buyers that represent many insurance carriers. To date Novus' popularity with brokers/agents/affiliates has increased and keeps increasing daily with over 450 insurance professionals and brokerage have signed up to sell Novus Cannabis MedPlan.

Michigan

After Novus solidified dispensaries as Providers in Michigan local law enforcement shut down approximately 70% of the operating dispensaries leaving Novus to approach new dispensaries to become a Novus Provider which many are electing too.

Canadian status on their regulation environment:

Bills C-45 and C-46, dealing with the cannabis consumption and sale guidelines was set for evaluations by Canadian Fed Regulators. Many Conservative senators are saying the bills could take at least eight months to be properly examined—a time frame that could push full legalization until the end of the year in a best-case scenario. Novus continues to work with Canadian regulatory authorities to finalize and continually modify our benefits packages that will be marketable and comply with Canada's universal healthcare coverage(s). At this juncture all signs have positive reviews from many departments, but we want to review the entire regulatory landscape before embarking on a roll out of medplan(s).

Value Proposition

Novus' business model provides value in three ways:

Benefit to Shareholders: Novus' business model in the cannabis health insurance is based on owning receivables (insurance policies) rather than depreciative assets such as hard inventory, manufacturing, delivery vehicles and warehousing that all can weigh heavy on a company's intrinsic value. Additionally, insurance companies benefit from the highest values traded on Wall Street, before investing please research "Learn How Insurance Companies Are Evaluated: <http://bit.ly/2ddIYva>

Value to Patient / Members: Patient/members that purchase \$150 or more per month in cannabis meds qualify for the Novus Cannabis MedPlan. Novus patient members are spending on average \$300 per month and with minimum 30% discount, giving patients a gross saving would a min \$90.00 per month or \$1,080 per year.

Value to Cannabis Dispensaries:

Many cultivators, manufacturers, dispensaries do not have established infrastructure to show their inventory and they must use third party websites to display their branding and inventory, costing the dispensary around \$500-\$700 per month, however, there is a fundamental flaw, nearly all these websites have, no call to action, on behalf of the cultivators, manufacturers and dispensaries

Novus Med Plan's portal display's dispensary products and a call to action to get more patients through provider's door. Novus helps the providers compete in the marketplace without any cost to the provider only

transferring the preferred pricing of meds to our patient/members.

Novus helps dispensaries, at no cost, to improve their marketing strategy with the latest technology, allow unique insights about targeting consumers while they are in behavioral pattern. By delineating the differences between cannabis customers and the general population, and/or target consumers that visit non-Novus dispensaries.

This is done by tapping into a 5-meter geo fence versus Google's quarter mile geo fence, giving Novus the ability to comprehend customer's path to purchase and displaying advertisements as the consumer enters the non-Novus dispensaries, at the point of interest and visitation patterns. Then we can expand the reach of location-based audiences with a retargeting strategy in many devices and formats. Then final and more powerful strategy is location-based audiences across devices and formats for greater reach using real world, contextually relevant data.

The Novus MedPlan benefits to providers are:

- a) Member Access: to a loyal and exclusive patient market, averaging \$300 per month in purchases
- b) Free Instant Web Presence: join and get your own online shop on Novus MedPlan web portal
- c) Free Social Networking: Don't pay high prices for Social Networking we do it for you, again no cost to you
- d) Free Search Engine Optimization: With Novus' portal it will send to all the social networking sites your updated inventory and show case your store
- e) Free Marketing Advertising: Novus MedPlan will cover most costs in your marketing and advertising, reducing your expenses
- f) Free Display of Inventory: Modify pricing through our Provider portal just as you would with Weedmaps but at no cost, and as a Provider you get free access to our affiliate marketing platform and email marketing to our member base
- g) Push Notifications Orders: Patients pre-order from our portal with push notifications to your business / dispensary
- h) Be Competitive: Gain the competitive edge over your competition as a Novus MedPlan Provider
- i) Access to Novus' Telemedicine platform at no cost

Diversification As International Health Plan:

Novus focus is diversification in health insurance sector; this market is currently a \$1.4 trillion market place with a global growth projection to \$3.5 trillion annually by 2022.

With this tremendous market share Novus can attain being an entity to write its own insurance policies in diversified niche lines of business to take advantage outside commercial liability in underserved markets that encompass traditional/cannabis health, medical marijuana property/casualty, life, and fixed annuity.

Brand Recognition:

Our achievements in these initiatives have been accomplished in the following manner.

i. Social Networking Success:

With digital ad dissemination on Twitter, Facebook and LinkedIn have given us much needed branding and lead generation. Novus achieves well over 1,000,00 impressions to per month with a .5% engagement rate to our sales funnel, a significant increase at a fraction of the cost for third party marketers.

The Company decreased its digital ad from 1.5 million monthly unique views to 1,000,000 monthly ad

views but a significant increase of 100% from a .5% engagement rate to .9% engagement rate with our branding initiative, indicating that quality target audience is being attained to the branding effort.

ii. **Digital Ad Dissemination with Ad Exchanges:** Ad exchanges are a technology platform that facilitates the buying and selling of media advertising inventory from multiple ad networks. The approach is algorithmic technology-driven as opposed to the historical approach of negotiating price on media.

The Company utilized big data by Nielsen then the Company has added comScore, DoubleVerify, Peer 39, and GrapeShot, that geo targets consumers that have engaged in certain behavioral activities on the internet. The Company is engaged in negotiations with 50 notable digital ad data providers and 20 exchanges that will allow advertising that contain the word **marijuana and/or cannabis**. It is our determination that this will be a game changer not only for Novus but also for the medical cannabis industry.

iii. **Programmatic Marketing Proximity Targeting:** This technology helps our marketing efforts reach for demographic audience behavior down to the longitude and latitude of our target consumer. This is the best utilization of quality data that can identify our target audience down to every storefront dispensary, venue that our target audience is visiting. For example, we can target consumers when they visit cannabis dispensaries. Novus captures their information on their mobile devices, reach consumers when they are at a dispensary and send a Novus advertisement. This precision targeting is done by gathering accurate data from GPS coordinates, allowing closer proximity than Google Maps and a customizable location based on consumer activity down to 5 meters. This quick video proximity marketing will surely convince you that Novus is taking the right route towards their marketing effort: <https://vimeo.com/120834432>

IRS Code 280E Works On Novus' Behalf:

May legal cannabis cultivators, manufactures and dispensaries operate as a non-profit, allowing them to offset payment of federal taxes on realized revenue of up to 70%, but as these entities become profitable this 70% they run the risk of losing their non-profit status and many will now face taxation on administrative and operations without the benefit of tax deductions. Soon profitable cultivators' manufacturers and dispensaries will be faced with losing their nonprofit status, once investors that realize a return on investment.

This IRS code 208E is deductions or credit shall not be allowed for any amount paid or incurred during the taxable year in carrying on any trade or business if such trade or business (or the activities which comprise such trade or business) consists of trafficking in controlled substances (within the meaning of schedule I and II of the Controlled Substances Act) which is prohibited by Federal law or the law of any State in which such trade or business is conducted.

(Added Pub. L. 97-248, title III, § 351(a), Sept. 3, 1982, 96 Stat. 640.)

Being a Novus provider, there's an incentive for dispensaries that can advertise, at no cost, through Novus' digital marketing network, provided that the dispensaries impart sizeable discounts on meds to Novus patient/members. The reasoning behind this benefit is:

Dispensaries pay sizeable expenditures to corral consumers; with being a Novus provider there is loyal stable consumer flow.

For Novus there is no real greater cost since, since Novus is currently instrumenting these marketing and advertising efforts.

Limited Debt on the Balance Sheet:

Novus' expenditure rates may not have any foreseeable adverse financial issues with dry powder of cash in its coffers. This gives Novus the advantage to have strong Net Asset Value on our Balance Sheet as opposed to debt financing and gives our shareholders a good value and places no financial strain on the company's day-to-day operation.

Legal Cannabis Managed Care Platform For Worker's Comp:

In California, the passing of Proposition 64 has given way for Novus to begin to encapsulate into recreational users by utilizing a managed care platform, a system of healthcare in which patients agree to visit only certain doctors and dispensaries which the treatment, cost and discount of meds are monitored by Novus, the managing entity.

How do Novus' MedPlan benefit patients and employer's interests? Four principal factors:

- a) California has the highest permanent disability claims in the nation with an inherent on-going pain management crisis,
- b) The state has among the highest claims in terms of medical costs,
- c) It has a high cost of delivering insurance benefits and;
- d) Another driver of California's higher premium is the state's medical treatment costs.

Novus solves this problem is by implementing a non-risk supplemental workers' compensation program with Novus' infrastructure with California cannabis dispensaries. Then instrumentally delivering a supplemental worker's compensation plan will ease insurers and employers' burdens by allowing Novus to procure a consortium of physicians that will take in patients, generate more medical cannabis recommendations for the protocol for pain management and other ailments to ease suffering. What makes this a great value for California is worker's compensation premiums will decrease losses because Novus low premiums and increase medical marijuana purchases.

Expansion Of CBD Providers

CBD, the non-psychoactive compound of cannabis meaning it does not give you a high like Tetrahydrocannabinol (THC), which is sought after by many medical marijuana users. CBD has repeatedly been proven to significantly alleviate conditions such as seizures and epilepsy, also aid with a multitude of cancer-related ailments such as nausea, decreased appetite, pain, and sleep issues.

Medicinal CBD market is not going anywhere anytime soon with a projected increase of 700% from 2017 to 2020. Hemp/CBD products have been the darling of the cannabis industry until now, primarily due to the low barrier of entry into the marketplace, many sellers, private label foreign hemp/CBD and call it the miracle to alternative medication though it lacks in any detailed research. Novus makes a priority to review the lab testing and compounds for premium efficient to deliver medical benefits to our patient/members. Industrial hemp is not a part of our benefits packages, due to its lack of optimal source of CBD, many compounds lack efficacy and contain contaminants that can be harmful then helpful.

To date, Novus has signed the 15 CBD manufactures into our national provider, making only two CBD extracts that we provide to our patient/members. With providers such as CV Sciences, Charlotte's Web and Hemp Wholesale, Novus can give its patient/members up to 64% discount on meds delivered to their front door.

Future Of Cannabis

During the 2016 elections four states legalized marijuana for recreational use, while four others legalized or expanded access to medical marijuana. As a result of those ballot initiatives, most states now recognize marijuana as a medicine, and one in five Americans lives in a state that has decided to tolerate medical cannabis consumption with a doctor's note.

Investors should take note: during the campaign Trump stated he is for medical marijuana and no stance on recreational. Therefore, it is unlikely that the Administration will dismantle the state regulations on cannabis.

The reason is: for the states that just legalized it the Trump administration would have a monumental cost of fighting this cause state by state, leaving fewer federal funds to issues that matter to the American public, not to mention the job loss of product made in America by Americans.

As it stands many of the larger insurance companies, Aetna and Humana for example, are opting out of ObamaCare/ACA, leaving millions of Americans without health insurance. This also includes many Americans currently opting out of ObamaCare/ACA, for reasons of higher premiums, deductibles, and pharmaceutical coverages. Whatever future healthcare package(s) that is passed by the Federal Governments it won't matter, Novus will continue to design its plans to fill the gaps and seek the inefficiencies and benefit from the country's current healthcare deficiencies.

Novus MedPlan not only covers medical cannabis, but also dental, vision, hearing, diabetic, lab and imaging packages that rival many government-subsidized healthcare plans. In the foreseeable future, Novus plans to foster new benefit packages that will cover many Americans even if ObamaCare/ACA is repealed and/or replaced.

There are only two Federal Departments that do not uphold against popular vote, they are the DEA and the FDA for obvious reasons, but neither department has regulatory authority over appropriations of funds, a Democrat Congress does. So, what we have here is most Americans (60 percent, according to Gallup) think cannabis prohibition should be lifted, 150,000 jobs supported by the cannabis industry it's likely the only major changes that is left is federal legalization and aggressive taxation by the feds either way this is very beneficial for Novus.

Telemedicine Platform

Targeted for an April roll out Novus' telemedicine platform plays a very important role in healthcare to our patient members and is anticipated to be bring multi-revenue stream into the Company.

Telemedicine technology allows healthcare practitioners to consult with patients in real-time via telecommunications technology to evaluate, diagnose and treat patients remotely. Telemedicine is attracting attention globally and is seamlessly suitable for medical cannabis and traditional health insurance benefits.

Now patients can connect with Novus' online platform with a physician across U.S. and Canada from the convenience of their own digital device. Delivering what many patients require is autonomy, free medical cannabis certifications with connection to our in-network dispensaries that can recommended/procure appropriate med strains.

This amplifies Novus' business model with a much more tactical advantage in creating multiple revenue streams for Novus and their partnered providers, in areas of:

- i. Free telemedicine for short- or long-term policy holders
- ii. Allow physician to access the platform at no cost
- iii. Remote prescribing

- iv. Allow patients direct access to dispensaries for fulfillment of meds
- v. Give our 450 insurance agents /affiliates the sales capturing tool for individual and group sales
- vi. Access new patients in rural areas
- vii. Distributing medical cannabis information to practitioners and patients

Telehealth policy changes means multiple revenue sources for Novus:

- i. Allow non-policy holders to gain access with signing up for a short-term plan
- ii. Collect revenue through the utilization of advertising dissemination
- iii. Expansion of primary care services
- iv. Mobile diagnostics and monitoring for a fee
- v. Help physicians efficiently reach more patients across the country can increase revenue.

A. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of their business contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

Novus' wholly owned subsidiary WCIG Insurance Services, Inc. is a California domiciled insurance entity which its d/b/a is Novus Cannabis MedPlan. California Insurance Licensing: Click Here: [0K41569](#)

B. Describe the issuers' principal products or services, and their markets

6) Issuer's Facilities

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases. Offices that are located at 2665 S. Bayshore Drive Miami FL 33131, for \$1,200 per year

7) Officers, Directors, and Control Persons

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information regarding any person or entity owning 5% or more of the issuer, as well as any officer, and any director of the company, regardless of the number of shares they own. **If any listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information of an individual representing the corporation or entity in the note section.**

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>Frank Labrozzi</u>	<u>Chairman/CEO</u>	Miami, FL	<u>54 million</u>	<u>Common</u>	<u>54%</u>	

<u>Frank Labrozzi</u>	<u>Chairman/CEO</u>	Miami, FL	<u>6,600</u>	<u>Series A Preferred</u>	<u>66%</u>	<u>Series A is Preferred Over Common Shares</u>
<u>John McDonald</u>	<u>Owner</u>	<u>Los Angeles</u>	<u>9.12 million</u>	<u>Common</u>	<u>9.5%</u>	Subject To Leak Out Provisions 5% per month

Management BIO's

Frank Labrozzi, Chairman, and CEO: 2006 to Present

Mr. Labrozzi is a Wall Street veteran for the past 27 years. A results-oriented analytical executive with diverse industry disciplines and has worked with many small to mid-cap companies and investment firms in with specialty of focus on:

- Mergers and Acquisitions Healthcare and Insurance
- Turnaround/ Reorg
- Strategic Planning
- Corporate Finance
- Insurance
- Health Care

Consulted and negotiated contractual terms with many industry leaders with increased market capitalization, corporate cap structure and market assessment with over 100 private and public companies. Represented Reorg Turnarounds as interim management for public companies that were in the brink of insolvency. And; introduced Asian and European companies to the NASDAQ equity markets.

Andrea Lopez VP/Director of NDEV

Andrea Lopez has been responsible for creating and maintaining Program Integrity and Compliance enterprise wide strategic policies for numerous companies under the performance standards and scrutiny of the U.S. Government and Fortune 500 Companies. With over two decades of experience maneuvering within the corporate world, Andrea has expanded her broad knowledge base to encompass management, professional development, and strategic communication while honing her business acumen across intercontinental industries.

Andrea has over 15 years of care compliance and program integrity experience: both domestically and internationally, with proven proficiency in cultural intelligence intrans media multi-cultural communication. She has developed and led enterprise-wide efforts at the executive level, implementing internal controls, policies and procedures to mitigate the risk of noncompliance with contract deliverables and applicable domestic and foreign laws and regulations. Andrea has coauthored multiple articles for industry-specific publications and has conducted instructional presentations to conference attendees at multiple symposiums world- wide, to include mentorship and education development with delivery to international student bodies. Andrea received both a Master of Science in Security Management (MSM) and a Bachelor of Science degree

in Criminal Justice Administration from the prestigious Bellevue University.

8) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, in the past 10 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; or

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

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: Fred Bauman
Firm: Bauman and Associates
Address 1: 6440 Sky Pointe Dr.
Address 2: Suite 140-149
Phone: 702-533-8372

Email: fred@lawbauman.com

Accountant or Auditor

Name: LBB and Associates

Firm:

Address 1: 10260 Wertheimer Road

Address 2: Suite 310

Phone: Houston TX 77042

Email: 713-800-4343

10) Issuer Certification



Principal Executive Officer: Frank Labrozzi

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities).

The certifications shall follow the format below:

I, Frank Labrozzi certify that:

1. I have reviewed this 2018 Annual Report of Novus Acquisition and Development Corp;
2. Based on my knowledge, this disclosure statement 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 and subject to change if needed.

March 13, 2019

[CEO's Signature]

A handwritten signature in black ink, appearing to be "FL", written over a light blue horizontal line.

(Digital Signatures should appear as “/s/ [OFFICER NAME]”)



Principal Financial Officer: Frank Labrozzi

I, Frank Labrozzi certify that:

1. I have reviewed this Annual Report of Novus Acquisition & Development Corp;
2. Based on my knowledge, this disclosure statement 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 and subject to change if needed.

March 13, 2019[Date]

[CFO's Signature]

A handwritten signature in black ink, appearing to read "FL", is written over the signature line.

Financial Statements Next Page

Balance Sheet 2018
Annual Report

Novus Acquisition & Development Corp

	2108	2017	30-Sep-18	30-Jun-18	30-Mar-18
	Year End	Year End			
ASSETS	\$	\$	\$	\$	\$
Cash and cash equivalents	115,173	102,888			
Investments	0	0	111,184	109,678	106,271
Total current assets					
Software Development	85,583	81,227	84,501	83,751	83,001
Insurance Assets	513,000	513,000	513,000	513,000	513,000
Goodwill	129,550	0	124,977	123,471	- 120,000
TOTAL ASSETS	843,306	697,115	833,662	829,900	822,272
LIABILITIES AND EQUITY					
Current liabilities:					
Note Due to Related Party	101,370	91,000	100,129	99,050	99,050
Due to related parties	0	0	0	0	0
Total current liabilities	101,370	91,000	100,129	99,050	99,050
Total liabilities			100,129	99,050	99,050
Stockholders' Deficit:					
Common Stock 200,000,000 shares authorized \$.001 par value	98,234	95,703	98,234	98,234	97,733
no shares increases from since					
June 30,2018 97,733,624 to 98,233,624 respectively					
Series A Preferred: \$.001 par value; 6,600 shares authorized;					
all shares issued and outstanding as of Dec 31,2015 through	660	660	660	660	660
Dec 31, 2018 respectively					
Series B: Preferred dividend stock: \$.001 par value;					
100,000,000 shares authorized; no shares issued	0	0	0	0	0
Series & D Preferred Shares: \$.001 par value;	0	0	0	0	0
100,000,000 shares authorized; no shares issued and					0
Total	98,234	95,703	98,894	98,894	98,393
Additional paid-in capital	7,106,372	7,011,096	7,126,372	7,124,866	7,023,866
Accumulated Deficit	5,710,820	5,650,889	5,709,977	5,708,898	5,601,089
Total Equity	1,395,552	1,360,207	1,416,395	1,415,968	1,422,777
Total Liabilities and Equity	843,306	697,115	833,662	829,900	822,272

Income Statement
2018 Annual Report

Novus Acquisition & Development Corp

	<u>2018</u>	<u>31-Dec-18</u>	<u>30-Sep-18</u>	<u>30-Jun-18</u>	<u>31-Mar-18</u>	<u>2017</u>
	<u>Year End</u>					<u>Year End</u>
	\$	\$	\$	\$	\$	\$
Revenues	180,171	49,355	46,395	43,360	41,061	130,426
G&A Expenses	41,918	12,007	10,233	9,880	9,798	32,536
Professional fees	16,109	7,609	3,000	2,500	3,000	9,500
Salaries and Commissions	26,232	10,945	6,001	5,120	4,166	23,493
Total operating expenses	84,259	30,561	19,234	17,500	16,964	65,529
Gross Income from operations	95,912	18,794	27,161	25,860	24,097	64,897
Other income (expense):	-	-	-	-	-	-
Investment gains (losses)						
Other income	-	-	-	-	-	-
Total other income (expense)	-	-	-	-	-	-
Income						
Net Income	95,912	18,794	27,161	25,860	24,097	64,897

Cash Flow Statement 2018
Annual Report

Novus Acquisition & Development Corp

	<u>2018 Year End</u>	<u>2017 Year End</u>
CASH FLOWS FROM OPERATING ACTIVITIES		\$
Net income (loss)	95,912	64,897
Adjustments to reconcile net income (loss) to net cash used in operating activities:	-	-
Stock-based compensation		2,000
NET CASH USED IN OPERATIONS	95,912	62,897
NET CHANGE IN CASH AND CASH EQUIVALENTS	12,288	37,736
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	111,184	149,756
CASH AND CASH EQUIVALENTS AT END OF PERIOD	95,912	112,020

Equity Statement
2018 Annual Report
Novus Acquisition & Development Corp

	Series A Preferred		Series B Preferred		Series C Preferred		Common Stock		Additional			Total
	Shares	Par Value	Shares	Par Value	Shares	Par Value	Shares	Par Value	Paid-in	Accumulated		Equity
									Capital	Deficit		(Deficit)
Begin Balance			-									
Balance 9-30-18	6,600	0.0010	-	\$ -	-	-	98,733,624	\$ 98,734	\$7,124,866	\$5,708,898		\$ 1,415,968
Net income (loss)	-	-	-	-	-	-	-	-	-			-
Stock compensation	6,600	-	-	-	-	-	98,733,624	98,734	7,124,866	5,708,898		1,415,968
Conversion of debt	-	-	-	-	-	-	-			-		-
Stock compensation	-	-	-	-	-	-	-	-	-	-		-
Net income (loss)	-	-	-	-	-	-	-	-	-	-		-
Ending Balance		-										
Ending Balance 12-31-18	6,600	0.0010	-	\$ -	-	\$ -	98,233,064	\$ 98,233	\$7,106,372	\$5,710,820		\$ 1,395,552

Novus Acquisition & Development Corp.

Notes to Consolidated Financial Statements

- DESCRIPTION OF ORGANIZATION

Organization – Novus Acquisition & Development Corp. (the “Company”) was incorporated on November 11, 1996 under the laws of the state of Nevada under the name Shirazi Corporation. On January 1, 2003 Shirazi Corporation changed its name to Surface Tech, Inc. On September 29, 2006 Surface Tech, Inc. changed its name to BrandQuest Development Group, Inc. and on April 2009 changed its name to Novus Acquisition & Development Corp.

The primary activities of the Company were to serve as a private equity firm for the purpose of self-funding and/or acquiring one or more operating businesses. The focus of the Company’s business model has changed due to economic and market conditions. Commencing May 2008, the Company’s business model and purpose is providing risk management within the alternative medicine field including medical marijuana in states where it is approved. From the risk management model, we have our focused set on discount medical plans and supplemental insurance programs that will aide and assist patients with discounts within alternative medicine fields discounts to medication in the respective approved states.

NDEV will work as outside developers and will not cultivate, handle, transport grow, extract, dispense put up for sale, put on the market, vend, deliver, supply, circulate, trade, cannabis or any substances that violates the United States law or the Controlled Substances Act, nor does it intend to do so in the future and will continue to follow state and federal laws. The products and statements made about specific products have not been evaluated by the United States Food and Drug Administration (FDA) and are not intended to diagnose, treat, cure or prevent disease. All information provided on this press release or any information contained on or in any product label or packaging is for informational purposes only and is not intended as a substitute for advice from your physician or other health care professional.

The state laws are in conflict with the federal Controlled Substances Act. The current administration has effectively stated that it is not an efficient use of resources to direct federal law enforcement agencies to prosecute those lawfully abiding by state designated laws allowing the use and distribution of medical marijuana. However, there is no guarantee that the current administration, nor any future administration, will not change this policy and decide to enforce the federal laws strongly. Any such change in the federal government’s enforcement of current federal laws could cause significant

financial changes to the Company. While we do not intend to harvest, distribute or sell cannabis or cannabis related products, we may be harmed by a change in enforcement by federal or state governments.

Delay on Audit; the reason the company disseminated a press release in March of 2014 was the fact the Auditors entered into an engagement letter with the Company. After reviewing the Auditors were required, a roll forward of Equity Sheet from inception. Since the company was formed in 1996 management painstakingly researched and produced documents that the Auditors would need to disseminate under SEC rules in a compliant manner. This process has taken some time and the Company now has all the necessary documentation to carry out the audit.

Basis of accounting – The financial statements are prepared using the accrual basis of accounting. Revenues are recognized when services are rendered, and expenses are recognized in the period in which they were incurred. The basis of accounting conforms to accounting principles generally accepted in the United States of America.

Going concern

The company has been a going concern since their PCAOB audit in 2006. Even though this may create an uncertainty, the company has had this tag on its financials since 2006 audit.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 these financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue recognition

The Company recognizes revenue in accordance with Staff Accounting Bulletin (“SAB”) No. 104, "Revenue Recognition in Financial Statements" which established

that revenue can be recognized when persuasive evidence of an arrangement exists, all significant contractual obligations have been satisfied, the fee is fixed or determinable and collection is reasonably assured

In 2009 the company began generating revenue by rendering consulting services to an unrelated party in exchange for shares of the customer's stock. These revenues were valued at the fair market value per share as of the date the services were rendered pursuant to a consulting agreement and discounted for lack of marketability and blockage.

In 2011 the company began its revenue generation \$65,072 from various consulting efforts and in 2013 the company generated revenue of \$9,522.60 from various consulting efforts. At the late end of 2013 the company decided to provide Risk Management within the Medical Marijuana space which has led to the Company's effort to get into the health insurance/ medical plan, and ultimately the supplemental insurance space.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Fair value of financial instruments

The carrying amounts of financial instruments, including cash, accounts receivable, and investments approximate fair value at December 31, 2009 due to the relatively short maturity of the instruments.

Shareholder Loans

Frank Labrozzi the CEO has infused money periodically into the Company and its subsidiaries for a total of \$101,370 with call provisions.

Available for Sale Securities

The Company accounts for investments under Statement of Financial Accounting Standards ("SFAS") No. 115, Accounting for Certain Investments in Debt and Equity Securities. The Company reports investments in debt and marketable equity securities at fair value based on quoted market prices or, if quoted prices are not available, discounted expected cash flows using market rates commensurate with credit quality and maturity of the investment. Investment securities are designated as available for

sale with unrealized gains and losses included in comprehensive income. Held-to-maturity securities are reported at amortized cost. The Company regularly reviews investment securities for impairment based on criteria that include the extent to which the investment's carrying value exceeds its related market value, the duration of the market decline, the Company's ability to hold to recovery and the financial strength and specific prospects of the issuer of the security. Unrealized losses that are other than temporary are included in the determination of income. Realized gains and losses are accounted for on the specific identification method.

Income taxes

Income taxes are computed under the provisions of SFAS No. 109 "Accounting for Income Taxes", using an asset and liability approach for financial accounting and income tax reporting based on expected tax rates. Deferred tax assets are reduced by a valuation allowance when it is more likely than not that some portion, or all, of the deferred tax assets will not be realized.

Earnings per share

The Company computes basic and diluted earnings per share amounts at December 31, 2017 of 1,500,000 common shares is a factor of less than .015% pursuant to SFAS No. 128, "Earnings per Share." There are no potentially dilutive shares outstanding and, accordingly, diluted earnings per share amounts are the same as basic at the aforementioned dates.

Reclassifications

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform to the current year presentation.

New accounting pronouncements

Fair Value Measurements

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements". SFAS No. 157 provides guidance for using fair value to measure assets and liabilities. SFAS No. 157 addresses the requests from investors for expanded disclosure about the extent to which companies measure assets and liabilities at fair value, the information used to measure fair value and the effect of fair value measurements on earnings. SFAS No. 157 applies whenever other standards require (or permit) assets or liabilities to be measured at fair value and does not expand the use of fair value in any new circumstances. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and will be adopted by the Company in the first quarter of fiscal year 2008. The Company is unable at this time to determine the effect that its adoption of SFAS No. 157 will have on its consolidated results of operations and financial condition.

In February 2008, the FASB issued Staff Position ("FSP") 157-2, "Effective Date of FASB

Statement No. 157". This FSP delays the effective date of SFAS No. 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value on a recurring basis (at least annually) to fiscal years beginning after November 15, 2008, and interim periods within those fiscal years. The impact of adoption was not material to the Company's financial condition or results of operations.

Accounting for Uncertainty in Income Taxes: In July 2006, the FASB issued FASB Interpretation No. 48 (FIN 48), "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109". FIN 48 clarifies that accounting for uncertainty in income taxes recognized under SFAS No. 109 "Accounting for Income Taxes". FIN 48 prescribes a recognition threshold and measurement attribute for financial statement recognition measurement of a tax position taken or expected to be taken in a tax return and also provides guidelines on various related matters such as derecognition, measurement and classification of income tax uncertainties, interest and penalties, and disclosure. FIN 48 also includes guidance concerning accounting for income tax uncertainties in interim periods and increases the level of required disclosures associated with any recorded income tax uncertainties. The differences between the amount recognized in the statement of financial position prior to the adoption of FIN 48 and the amounts reported after adoption are to be accounted for as a cumulative-effect adjustment recorded to the beginning balance of retained earnings. FIN 48 was effective beginning in fiscal year 2007 and did not have a material effect on The Company's financial position, results of development stage activities or liquidity.

Considering the Effects of Prior Year Misstatements

In September 2006, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin No. 108 (SAB No. 108) "Considering the Effects of Prior Year Misstatements When Qualifying Misstatements in Current Year Financial Statements". SAB No. 108 provides interpretive guidance on how the effects of the carryover or reversal of prior year misstatements should be considered in qualifying a current year misstatement. The SEC staff believes that registrants should qualify errors using both a balance sheet and income statement approach and evaluate whether either approach results in qualifying a current year misstatement that, when all relevant quantitative and qualitative factors are considered, is material. The provisions of SAB No. 108 were effective for the Company's fiscal year ending December 31, 2007. The adoption of SAB No. 108 did not have a material impact on the Company's financial statements.

Business Combinations

In December 2007, the FASB issued SFAS No. 141(R) "Business Combinations" SFAS No. 141(R). This Statement replaces the original SFAS No. 141. This Statement retains the fundamental requirements in Statement 141 that the acquisition method of accounting (which Statement No. 141 called the purchase method) be used for all business combinations and for an acquirer to be identified for each business combination. The objective of this SFAS No. 141(R) is to improve the relevance, and comparability of the information that a reporting entity provides in its financial report about a business combination and its effects.

To accomplish that, SFAS No. 141(R) establishes principles and requirements for how the acquirer:

- a. Recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree.
- b. Recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase.
- c. Determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination.

This Statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008 and may not be applied before that date. The Company is unable at this time to determine the effect that its adoption of SFAS No. 141(R) will have on its consolidated results of operations and financial condition.

Fair Value Option for Financial Assets and Financial Liabilities

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of FASB Statement No. 115", which becomes effective for the Company on February 1, 2008, permits companies to choose to measure many financial instruments and certain other items at fair value and report unrealized gains and losses in earnings. Such accounting is optional and is generally to be applied instrument by instrument. The Company does not anticipate that the election, of this fair-value option will have a material effect on its consolidated financial condition, results of operations, cash flows or disclosures.

Fair Value Measurements

In September 2006, the FASB issued SFAS No. 157; "Fair Value Measurements" SFAS No. 157 provides guidance for using fair value to measure assets and liabilities. SFAS No. 157 addresses the requests from investors for expanded disclosure about the extent to which companies' measure assets and liabilities at fair value, the information used to measure fair value and the effect of fair value measurements on earnings. SFAS No. 157 applies whenever other standards require (or permit) assets or liabilities to be measured at fair value and does not expand the use of fair value in any new circumstances. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and will be adopted by the Company in the first quarter of fiscal year 2008. The Company is unable at this time to determine the effect that its adoption of SFAS No. 157 will have on its consolidated results of operations and financial condition.

Stock-based compensation:

Effective January 1, 2007, the Company adopted SFAS No. 123(R), "Share-Based Payment" ("SFAS 123(R)") and related interpretations which superseded APB No. 25.

SFAS 123(R) requires that all stock-based compensation be recognized as an expense in the financial statements and that such cost be measured at the fair value of the award. This statement

was adopted using the modified prospective method, which requires the Company to recognize compensation expense on a prospective basis.

The above benefit was calculated using a combined federal and state tax estimated rate as noted below

INCOME TAXES

Deferred income taxes result from temporary differences in the recognition of income and expenses for the financial reporting purposes and for tax purposes. The net deferred tax assets are comprised of the following:

	December 31,	
	2017	2016
Deferred income tax asset	\$ (47,843)	\$ (50,431)
)		
Valuation allowance		

Deferred income tax asset	\$ 241,804	-	350,431
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In December 31, 2016, the Company has net operating loss carry forward of approximately \$240,000 which will expire at various dates through 2027.

COMMITMENTS

Employment Agreements

The Company has employment agreements with both its Chief Executive Officer (“CEO”) and President. The agreements are for nine years beginning November 17, 2008 with automatic renewal. Initial compensation relating to the agreements is 25,000,000 shares, thereafter 2,000,000 shares per year.

Section 1 - DESIGNATION OF SERIES AND RANK

The total 6,600 shares of such series shall be designated as the "Series A Preferred Stock" and the number of shares initially constituting such series shall be up to six thousand six hundred (6,600) shares. The Series A Preferred Stock shall be senior to the common stock and any other series or class of the company's preferred stock.

Section 2 - CONVERSION RIGHTS

(a) All of the 6,600 shares of Series A Preferred Stock is issued and outstanding, then the total aggregate issued shares of Series A Preferred Stock at any given time, regardless of their number, shall be not be convertible into shares of Common Stock, the Series A Preferred is voting shares only equal 66% of the total number of shares of Common Stock, plus the total number of shares of all other series of stock, which are issued and outstanding.

(b) All share of Series A Preferred Stock shall be not be convertible into the number of shares of Common Stock which equals 66% of the total number of shares of Common Stock, plus the total number of shares of all other series of stock, which are issued and outstanding at the time of conversion, divided by the total number of shares of Series A Preferred Stock at the time of conversion.

The terms of the contract include a non-dilution of officers and directors for a nine-year period, acceleration of agreement in the case of termination or change of control in which

all compensation shall be delivered within thirty days of termination, performance based and a non-compete clause.

VALUE OR DEFICIENCY IN ASSETS

Classes of stock

Common Shares- the authorized number of common shares is 200,000,000. The CEO and President are majority shareholders owning approximately 26% of the company each.

Series A; Section 1 - DESIGNATION OF SERIES AND RANK

The total 6,600 shares of such series shall be designated as the "Series A Preferred Stock" and the number of shares initially constituting such series shall be up to six thousand six hundred (6,600) shares. The Series A Preferred Stock shall be senior to the common stock and any other series or class of the company's preferred stock.

Section 2 - CONVERSION RIGHTS

(a) All of the 6,600 shares of Series A Preferred Stock is issued and outstanding, then the total aggregate issued shares of Series A Preferred Stock at any given time, regardless of their number, shall be not be convertible into shares of Common Stock, the Series A Preferred is voting shares only equal 66% of the total number of shares of Common Stock, plus the total number of shares of all other series of stock, which are issued and outstanding.

(b) All share of Series A Preferred Stock shall be not be convertible into the number of shares of Common Stock which equals 66% of the total number of shares of Common Stock, plus the total number of shares of all other series of stock, which are issued and outstanding at the time of conversion, divided by the total number of shares of Series A Preferred Stock at the time of conversion.

Section 3 - LIQUIDATION RIGHTS

(a) In the event of any liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary, the holders of the Series A Preferred then outstanding shall be entitled to be paid out of the assets of the Company, before any other class or series, available for distribution to its shareholders, before any payment or declaration and setting apart for payment of any amount shall be made in respect of any outstanding capital stock of the Company, an amount equal to One Thousand Dollars (\$1,000) per share or option issued. Then all of the assets of the Company available to be distributed shall be distributed ratably to the holders of the

Series A Preferred and then to the holders of other outstanding shares of capital stock of the Company. If upon any liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary, the assets to be distributed to the holders of the Series A Preferred shall be insufficient to permit the payment to the holders thereof the full preferential amount as provided herein, then such available assets shall be distributed ratably to the holders of the Series A Preferred.

- (b) None of the following events shall be treated as or deemed to be liquidation hereunder:
 - (i) A merger, consolidation or reorganization of the Company;
 - (ii) A sale or other transfer of all or substantially all of the Company's assets;
 - (iii) A sale of 50% or more of the Company's capital stock then issued and outstanding;
 - (iv) A purchase or redemption by the Company of stock of any class; or
 - (v) Payment of a dividend or distribution from funds legally available, therefore.

Section 4 - VOTING RIGHTS

(a) All share of Series A Preferred Stock is issued and outstanding, then the total aggregate issued shares of Series A Preferred Stock at any given time, regardless of their number, shall have voting rights equal to 66% of the total number of shares of Common Stock, plus the total number of shares of all other series of stock, issued and outstanding at the time of any vote of shareholders.

(b) All 6,600 of Series A Preferred Stock shall have the voting rights equal to 66% of the number of shares of Common Stock, plus the total number of shares of all other series of Stock, issued and outstanding at the time of any vote of shareholders, divided by the number of shares of Series A Preferred Stock which are issued and outstanding at the time of the vote.

(c) Series B Dividend Shares- authorized 100 million shares of this convertible preferred with a redemption rate of 1:2 into common. Price point \$1.00 per share; two preferred shares for every one common share. None are issued

Series C Convertible Preferred Shares - Authorized 10 million shares and carry at stated conversion of \$5.00 per share and is 1:1 conversion into common.

Reclassification issues will not be granted in the event of dilution that equates to a higher net asset value. None are issued

Series D Shares- This class of stock was established with the intention of being traded on foreign exchanges such as the Nikkei and the Dax. Through June 30,

2009, the Company had not yet obtained authorization to trade on any foreign exchanges. The total authorized number of Series D shares are; 100,000,000. None are issued

EARNINGS PER SHARE

Basic earnings per share are computed by dividing earnings (losses) available to common stockholders by the weighted average of common shares outstanding during the period.

SOFTWARE DEVELOPMENT:

Various portal upgrades and app development