

## Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines



### **On4 Communications, Inc.**

**A Delaware Corporation**

**44 West 44<sup>th</sup> Street**

**New York, NY 11710**

**(516) 637- 4061**

**Email: On4company@gmail.com**

**SIC Code: 4899**

**SEMI-ANNUAL REPORT**

**FOR THE 6 MONTHS ENDED APRIL 30, 2019**

**As of April 30, 2019 the number of shares outstanding of our Common Stock was 3,532,504,870**

**As of October 31, 2018 and as of January 31, 2019 the number of shares outstanding of our common stock was 4,505,705,518 and 4,647,267,244 respectively.**

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 Control<sup>1</sup> of the company has occurred over this reporting period:

Yes:  No:

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<sup>1</sup> "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

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

Name of Issuers: On4 Communications, Inc. (from October 2,2009 to date)  
Predecessor Name: Sound Revolution Inc. (from June 4,2001 – October 2,2009)

Incorporated in the State of Delaware on June 4,2001. The Issuer is in active status currently.

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: ONCI  
Exact title and class of securities outstanding: Common Shares  
CUSIP: 6822203 203  
Par or stated value: \$0.0001

Total shares authorized: 5,000,000,000 as of date April 30, 2019  
Total shares outstanding: 3,532,504,870 as of date: April 30, 2019  
Number of shares in the Public Float<sup>2</sup>: 3,254,427,154 as of date: April 30, 2019  
Total number of shareholders of record: 84 as of date: April 30, 2019

*Additional class of securities (if any):*

Trading symbol: N/A  
Exact title and class of securities outstanding: "Series A" Preferred shares  
CUSIP: N/A  
Par or stated value: No par value  
Total shares authorized: 30,000,000 as of date: April 30, 2019  
Total shares outstanding: 25,000,000 as of date: April 30,2019

Transfer Agent

Name: Pacific Stock Transfer  
Phone: 1-800-785-7782  
Email: [paul@pacificstocktransfer.com](mailto:paul@pacificstocktransfer.com)

Is the Transfer Agent registered under the Exchange Act?<sup>3</sup> Yes:  No:

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors:  
None

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

- (i) On February 10, 2019 the Company's Board of Directors approved the request of Mr. Steve Berman to surrender, to the Company's Treasury, 1.4 billion issued common shares, in exchange for which Mr. Berman was issued with 25,000,000 "Series A" preferred shares.
- (ii) On March 12,2019 the Company filed a preliminary Form 1-A with the SEC to raise capital of up to \$ 1,080,000 from the issuance of 450 million common shares of the Company at the offering price of \$ 0.0024 per share made available pursuant to Regulation A of the Securities Act of 1933. Such offering requires the review and qualification by the SEC before it can be effective.

<sup>2</sup> "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

<sup>3</sup> To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

### 3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services. Using the tabular format below, please describe these events.

#### 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>November 1, 2016</u>	<u>Opening Balance:</u> Common: <u>2,798,719,698</u> Preferred: 30,000,000		*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>11/1/2016</u>	<u>New Issuance</u>	<u>207,698,250</u>	<u>Common</u>	<u>\$0.00005</u>	<u>Yes</u>	Tide Pool Ventures LLC Note (A)	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>144 Exemption</u>
<u>11/16/2016</u>	<u>New issuance</u>	<u>125,000,000</u>	<u>Common</u>	<u>\$0.00005</u>	<u>Yes</u>	Tide Pool Ventures LLC Note (A)	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>144 Exemption</u>
<u>12/1/2016</u>	<u>New issuance</u>	<u>100,000,000</u>	<u>Common</u>	<u>\$0.00001</u>	<u>Yes</u>	Tide Pool Ventures LLC Note (A)	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>144 Exemption</u>
<u>12/6/2016</u>	<u>New issuance</u>	<u>62,500,000</u>	<u>Common</u>	<u>\$0.00004</u>	<u>Yes</u>	Tide Pool Ventures LLC Note (A)	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>144 Exemption</u>
<u>3/13/2017</u>	<u>New issuance</u>	<u>73,333,334</u>	<u>Common</u>	<u>\$0.0003</u>	<u>Yes</u>	Carpathia LLC Note (B)	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>144 Exemption</u>
<u>4/10/2017</u>	<u>New issuance</u>	<u>134,486,301</u>	<u>Common</u>	<u>\$0.0003</u>	<u>Yes</u>	Carpathia LLC Note (B)	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>144 Exemption</u>
<u>5/19/2017</u>	<u>New issuance</u>	<u>73,708,807</u>	<u>Common</u>	<u>\$0.0003</u>	<u>Yes</u>	Carpathia LLC Note (B)	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>144 Exemption</u>
<u>5/19/2017</u>	<u>New Issuance</u>	<u>71,079,456</u>	<u>Common</u>	<u>\$0.0001</u>	<u>Yes</u>	Southridge Partners II LP Note (C)	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>144 Exemption</u>

<u>7/13/2017</u>	<u>New Issuance</u>	<u>12,500,000</u>	<u>Common</u>	<u>\$0.0011</u>	<u>No</u>	Steve Berman (CEO)	<u>Expense reimbursement</u>	<u>Restricted</u>	
<u>7/25/2017</u>	<u>New issuance</u>	<u>154,521,522</u>	<u>Common</u>	<u>\$0.00013</u>	<u>Yes</u>	Carpathia LLC Note (B)	<u>Debt conversion</u>	<u>Unrestricted</u>	<u>144 Exemption</u>
<u>10/2/2017</u>	<u>New Issuance</u>	<u>5,000,000</u>	<u>Common</u>	<u>\$0.0014</u>	<u>No</u>	Steve Berman (CEO)	Expense reimbursement	Restricted	
<u>10/5/2017</u>	<u>New Issuance</u>	<u>40,000,000</u>	<u>Common</u>	<u>0.0055</u>	<u>No</u>	Livingston Asset Management LLC Note (D)	Debt Settlement	Unrestricted	Section 3(a) 10 Exemption
<u>1/22/2018</u>	<u>New Issuance</u>	<u>40,000,000</u>	<u>Common</u>	<u>0.0055</u>	<u>No</u>	Livingston Asset Management LLC Note (D)	Debt Settlement	Unrestricted	Section 3(a) 10 Exemption
<u>1/31/2018</u>	<u>New Issuance</u>	<u>80,000,000</u>	<u>Common</u>	<u>0.00249</u>	<u>No</u>	Livingston Asset Management LLC Note (D)	Debt Settlement	Unrestricted	Section 3(a) 10 Exemption
<u>2/8/2018</u>	<u>New Issuance</u>	<u>100,000,000</u>	<u>Common</u>	<u>0.00215</u>	<u>No</u>	Livingston Asset Management LLC Note (D)	Debt Settlement	Unrestricted	Section 3(a) 10 Exemption
<u>2/22/2018</u>	<u>New Issuance</u>	<u>100,000,000</u>	<u>Common</u>	<u>0.00215</u>	<u>No</u>	Livingston Asset Management LLC Note (D)	Debt Settlement	Unrestricted	Section 3(a) 10 Exemption
<u>2/27/2018</u>	<u>New Issuance</u>	<u>7,500,000</u>	<u>Common</u>	<u>\$0.0023</u>	<u>No</u>	Steve Berman (CEO)	Compensation	Restricted	
<u>3/6/2018</u>	<u>New Issuance</u>	<u>100,000,000</u>	<u>Common</u>	<u>0.00249</u>	<u>No</u>	Livingston Asset Management LLC Note (D)	Debt Settlement	Unrestricted	Section 3(a) 10 Exemption
<u>3/15/2018</u>	<u>New Issuance</u>	<u>100,000,000</u>	<u>Common</u>	<u>0.00215</u>	<u>No</u>	Livingston Asset Management LLC Note (D)	Debt Settlement	Unrestricted	Section 3(a) 10 Exemption
<u>4/2/2018</u>	<u>New Issuance</u>	<u>50,000,000</u>	<u>Common</u>	<u>0.00215</u>	<u>No</u>	Livingston Asset Management LLC Note (D)	Debt Settlement	Unrestricted	Section 3(a) 10 Exemption
<u>5/17/2018</u>	<u>New Issuance</u>	<u>7,500,000</u>	<u>Common</u>	<u>\$0.0023</u>	<u>No</u>	Steve Berman (CEO)	Compensation	Restricted	

<u>7/27/2018</u>	<u>New Issuance</u>	<u>45,182,485</u>	<u>Common</u>	<u>\$0.0016</u>	<u>No</u>	Livingston Asset Management LLC Note (D)	Debt Settlement	Unrestricted	Section 3(a) 10 Exemption
<u>7/27/2018</u>	<u>New Issuance</u>	<u>9,475,664</u>	<u>Common</u>	<u>\$0.00098</u>	<u>Yes</u>	Oscaleta Partners LLC Note (E)	Convertible note repayment for	Unrestricted	144 Exemption
<u>10/30/2018</u>	<u>New Issuance</u>	<u>7,500,000</u>	<u>Common</u>	<u>\$0.0017</u>	<u>No</u>	Steve Berman (CEO)	Compensation	Restricted	
<u>12/11/2018</u>	<u>New issuance</u>	<u>141,561,726</u>	<u>Common</u>	<u>\$0.00048</u>	<u>Yes</u>	Carpathia LLC Note (B)	Debt conversion	Unrestricted	144 Exemption
<u>2/10/2019</u>	<u>Surrender to Treasury</u>	<u>(1,400,000,000)</u>	<u>Common</u>	<u>\$0.0001</u>	<u>No</u>	Steve Berman	Surrender back to Treasury	Restricted	
<u>2/10/2019</u>	<u>New issuance</u>	<u>25,000,000</u>	<u>Preferred Series "A"</u>	<u>No par value</u>	<u>Not applicable</u>	Steve Berman	Issued in exchange for common shares surrendered	Restricted	
<u>2/10/2019</u>	<u>Surrender to Treasury</u>	<u>(30,000,000)</u>	<u>Preferred Series "A"</u>	<u>No par value</u>	<u>Not applicable</u>	Steve Berman	Surrender back to Treasury	Restricted	
<u>2/14/2019</u>	<u>New issuance</u>	<u>85,003,928</u>	<u>Common</u>	<u>\$ 0.00105</u>	<u>Yes</u>	Carpathia LLC Note (B)	Debt conversion	Unrestricted	144 Exemption
<u>4/12/2019</u>	<u>New issuance</u>	<u>200,233,698</u>	<u>Common</u>	<u>\$ 0.00045</u>	<u>Yes</u>	JP Carey Enterprises Inc. Note (F)	Debt conversion	Unrestricted	144 Exemption
Shares Outstanding on April 30, 2019 <u>[Date of this Report]</u> : June 14, 2019	<u>Ending Balance:</u> Common: 3,532,504,870 Preferred Series "A": <u>25,000,000</u>								

Notes: (A) Tide Pool Ventures LLC is controlled by Todd Violette  
(B) Carpathia LLC is controlled by Joseph C. Canouse  
(C) Southridge Partners II LP is controlled by Stephen Hicks  
(D) Livingston Asset Management LLC is controlled by Stephen Hicks  
(E) Oscaleta Partners LLC is controlled by Stephen Hicks  
(F) JP Carey Enterprises Inc is controlled by Joseph C. Canouse

**Example:** A company with a fiscal year end of December 31<sup>st</sup>, in addressing this item for its quarter ended September 30, 2018, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2016 through September 30, 2018 pursuant to the tabular format above.

## B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe any issuance of promissory notes, convertible notes or convertible debentures **in the past two completed fiscal years and any subsequent interim period.**

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>3/24/2017</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$ 2,101</u>	<u>3/24/2018</u>	Convertible at 50% of the average market price 10 days prior to conversion	<u>Machiavelli Ltd LLC (Note A)</u>	<u>Convertible loan</u>
<u>8/11/2017</u>	<u>\$10,000</u>	<u>\$ 10,000</u>	<u>\$2,061</u>	<u>8/11/2018</u>	Convertible at 50% of the average market price 10 days prior to conversion	<u>Machiavelli Ltd LLC (Note A)</u>	<u>Convertible loan</u>
<u>9/5/2017</u>	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$3,958</u>	<u>9/5/2018</u>	Convertible at 50% of the average market price 10 days prior to conversion	<u>Carpathia LLC (Note B)</u>	<u>Convertible loan</u>
<u>11/3/2017</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>\$1,785</u>	<u>11/3/2018</u>	Convertible at 50% of the average market price 10 days prior to conversion	<u>J.P. Carey Enterprises, Inc (Note C)</u>	<u>Convertible loan</u>
<u>1/2/2018</u>	<u>\$206,473</u>	<u>\$206,473</u>	<u>\$13,718</u>	<u>Demand</u>	5% loan	<u>Steve Berman (CEO)</u>	<u>Loan</u>
<u>2/6/2018</u>	<u>\$12,500</u>	<u>\$12,500</u>	<u>\$1,841</u>	<u>2/6/2019</u>	Convertible at 50% of the average market price 10 days prior to conversion	<u>J.P. Carey Enterprises, Inc (Note C)</u>	<u>Convertible loan</u>
<u>2/27/2018</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>\$3,267</u>	<u>Demand</u>	5% loan	<u>Steve Berman (CEO)</u>	<u>Loan</u>
<u>2/28/2018</u>	<u>\$5,500</u>	<u>\$5,500</u>	<u>\$770</u>	<u>2/28/2019</u>	Convertible at 50% of the average market price 10 days prior to conversion	<u>J.P. Carey Enterprises, Inc (Note C)</u>	<u>Convertible loan</u>
<u>4/3/2018</u>	<u>\$200,000</u>	<u>\$200,000</u>	<u>\$10,740</u>	<u>Demand</u>	5% loan	<u>Steve Berman (CEO)</u>	<u>Loan</u>
<u>6/15/2018</u>	<u>\$115,000</u>	<u>\$115,000</u>	<u>\$5,025</u>	<u>Demand</u>	5% loan	<u>Steve Berman (CEO)</u>	<u>Loan</u>
<u>7/2/2018</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$2,582</u>	<u>7/2/2019</u>	Convertible at 50% of the average market price 10 days prior to conversion	<u>J.P. Carey Enterprises, Inc (Note C)</u>	<u>Convertible loan</u>
<u>10/31/2018</u>	<u>\$185,000</u>	<u>\$185,000</u>	<u>\$4,587</u>	<u>Demand</u>	5% loan	<u>Steve Berman (CEO)</u>	<u>Loan</u>
<u>1/31/2019</u>	<u>\$125,000</u>	<u>\$125,000</u>	<u>\$1,524</u>	<u>Demand</u>	5% loan	<u>Steve Berman (CEO)</u>	<u>Loan</u>
<u>3/1/2019</u>	<u>\$25,000</u>	<u>\$25,000</u>	<u>\$501</u>	<u>3/1/2020</u>	Convertible at 50% of the average market price 10 days prior to conversion	<u>Carpathia LLC (Note B)</u>	<u>Convertible loan</u>
<u>3/1/2019</u>	<u>\$30,000</u>	<u>\$30,000</u>	<u>\$250</u>	<u>Demand</u>	5% loan	<u>Steve Berman (CEO)</u>	<u>Loan</u>
<u>3/11/2019</u>	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$329</u>	<u>3/11/2020</u>	Convertible at 50% of the average market price 10 days prior to conversion	<u>J.P. Carey Enterprises, Inc (Note C)</u>	<u>Convertible loan</u>
<u>3/27/2019</u>	<u>\$20,000</u>	<u>\$20,000</u>	<u>\$289</u>	<u>3/27/2020</u>	Convertible at 50% of the average market price 10 days prior to conversion	<u>J.P. Carey Enterprises, Inc (Note C)</u>	<u>Convertible loan</u>

<u>4/16/2019</u>	<u>\$15,000</u>	<u>\$15,000</u>	<u>\$69</u>	<u>4/16/2020</u>	Convertible at 50% of the average market price 10 days prior to conversion	<u>Carpathia LLC</u> (Note B)	<u>Convertible loan</u>
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Notes (A), (B) & (C) Machiavelli Ltd LLC, Carpathia LLC and J.P. Carey Enterprises, Inc are all controlled by Joseph C. Canouse.

#### 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)<sup>4</sup>:

Name: **Alan Bailey**  
Title: CFO  
Relationship to Issuer: CFO

Provide the financial statements described below for the most recent fiscal year or quarter.

- C. Balance sheet;  
D. Statement of income;  
E. Statement of cash flows;  
F. Financial notes; and  
G. Audit letter, if audited (not applicable)

**Attached to this disclosure statement is the Semi-Annual Report and the unaudited financial statements for the 3 and 6 months ended April 30, 2019.**

#### 5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

**The Issuer has several business operations and prospective business opportunities, but is presently primarily involved in the design and creation and manufacture of a software App. for installation in motor vehicles to automatically restrict the driver from accessing a smart phone or other social media communication while the vehicle wheels are in motion.**

B. 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

- (i) **On December 9, 2016 the Company acquired a Forty-Nine Percent (49%) Joint-Venture equity/ownership stake in Digital Media Management & Consulting ("DMCC") a fast-rising digital signage privately-held company headquartered in New York, NY. The DMCC platform supports advanced implementation of electronic sell-through and content advertising supported**

<sup>4</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

networks. These business models are major requirements for owners and rights holders of entertainment content interested in rolling out new digital signage services.

- (ii) On August 17, 2017 the Company entered into a non-binding Letter of Intent to purchase CogoSense Technology, Inc. a Canadian company, which developed and is selling its *FleetSafer App* – an enterprise software solution for smart phones and tablets that Detects the driving state of an entire on-the-road vehicle fleet and automatically places those devices into “safe mode” while driving occurs, to prevent distractions. CogoSense has also developed an individual consumer version called *bSafeMobile* and the *bFoundMobile App* which is a fleet vehicle tracking system to monitor vehicle locations at any time. At April 30, 2019 the Company had cumulatively paid \$ 1,375,000 towards the overall purchase price of \$ 2.6 million to acquire 100% of the CogoSense company, including its technology assets, revenue stream and customer base.
- (iii) On September 14 2018 the Company announced that it has signed a letter of intent to purchase 75% of a craft Cannabis company called Sifthouse BC for a total consideration of \$1 million contingent upon Sifthouse BC obtaining a license to distribute Cannabis related product in Canada. Sifthouse is a craft Cannabis company and a new business based in Vancouver. Their plan is to grow highly profitable, specialty blends of cannabis. Terms of financing are being worked out. The Company’s investment commitment to date is \$100,000.

C. Describe the issuers’ principal products or services, and their markets

**The Company’s principal products include the FMS Drive Safe App,, the FleetSafer App, the bSafemobile App and the bFoundMobile App. These products are distributed and sold to automotive dealers and operators nationwide throughout the United States, as well as the Europe, Russia and Japan**

## 6) Issuer’s Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

**The Issuer rents a business office on a month-to-month basis at 44 West 44 Street, New York, NY 11710 at the rate of \$ 3,500 per month (inclusive of furniture).**

## 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% of 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	
<u>Steve Berman</u>	<u>CEO &amp; Director</u>	<u>Roslyn, New York</u>	<u>1,061,739 (A)</u>	<u>Common shares</u>	<u>0.03%</u>	
<u>Steve Berman</u>	<u>CEO &amp; Director</u>	<u>Roslyn, New York</u>	<u>25,000,000</u>	<u>Preferred shares</u>	<u>83.3%</u>	

Note (A) Effective February 10, 2019 Steve Berman surrendered to the Company's Treasury 1,400,000,000 common shares.

## 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:.

On December 15, 2016 LG Capital Funding, LLC (one of the Company's convertible note holders) commenced an action against the Company claiming that it had been prevented from converting a remaining principal balance of \$1,500 and accrued interest thereon of \$ 1,013 into common shares of the Company at the then contracted 50% discount to market stock price. A judgement in favor of LG Capital was issued by the Eastern District Court of New York on September 25, 2018. However, this order was successfully appealed and the Company has been granted a stay, pending the outcome of a similar case submitted to the Second Circuit of Appeals which pleads that these types of convertible debt contracts are usurious under New York law.

**9) Third Party Providers**

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

Securities Counsel

Name: None

Accountant or Auditor

Name: None

Investor Relations Consultant

Name: None

Other Service Providers

Name: None

**10) Issuer Certification**

*Principal Executive Officer:*

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, Steve Berman, Chief Executive Officer, certify that:

1. I have reviewed this Semi-Annual Disclosure Statement of On4 Communications, Inc.;
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.

June 14,2019

/s/ Steve Berman

*Principal Financial Officer:*

I, Alan Bailey, Chief Financial Officer certify that:

1. I have reviewed this Semi-Annual Disclosure Statement of On4 Communications, Inc.;
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.

June 14, 2019

"/s/ Alan Bailey

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

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**THE FOLLOWING CONSTITUTE THE UNAUDITED FINANCIAL STATEMENTS OF ON4 COMMUNICATIONS, INC. FOR THE 6 MONTH PERIOD ENDED APRIL 30, 2019**



**SEMI-ANNUAL FINANCIAL STATEMENTS**

**ON4 COMMUNICATIONS, INC.**

**for the 6 Months Ending**

**APRIL 30, 2019**

**INDEX**

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**ON4 COMMUNICATIONS, INC.**  
**Condensed Balance Sheets**  
(Unaudited)

	<b>January 31, 2019</b>	<b>October 31, 2018</b>
<b>Assets</b>		
Current assets		
Cash	\$ 185,000	\$ 117,285
Accounts receivable	<u>6,575,831</u>	<u>4,851,862</u>
	<u>6,760,831</u>	<u>4,969,147</u>
Fixed assets, net of accumulated depreciation	-	-
Other assets, at cost		
Investment in Family Mobile Safety ("FMS")	2,000,000	2,000,000
Investment in Cogosense Technology Inc.	1,375,000	1,045,000
Investment in Sifthouse BC	<u>100,000</u>	<u>100,000</u>
	<u>3,475,000</u>	<u>3,145,000</u>
<b>Total Assets</b>	<b><u>\$10,235,831</u></b>	<b><u>\$ 8,114,147</u></b>
 <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable and accrued expenses	\$ 111,834	\$ 112,495
Accrued note interest	74,488	83,873
Due to related party	2,940,355	2,074,506
Notes payable	106,549	106,549
Convertible notes payable	<u>233,633</u>	<u>348,633</u>
	<u>3,466,859</u>	<u>2,726,056</u>
Non-current liabilities		
Due to related party	<u>2,000,000</u>	<u>2,000,000</u>
Stockholders' Equity		
Preferred stock:		
30,000,000 shares authorized, no par value		
25,000,000 and 30,000,000 shares issued and outstanding		
at April 30, 2019 and October 31, 2018 respectively	\$ -	\$ -
Common stock:		
5,000,000,000 shares authorized of \$ 0.0001 par value each		
3,532,504,870 and 4,505,705,518 issued and outstanding,		
at April 30, 2019 and October 31, 2018 respectively	353,250	450,571
Additional paid-in capital	17,681,197	17,495,328
Treasury stock	210,000	70,000
Accumulated deficit	<u>(13,475,475)</u>	<u>(14,627,808)</u>
	<u>4,768,972</u>	<u>3,388,091</u>
<b>Total Liabilities and Stockholders' Equity</b>	<b><u>\$ 10,235,831</u></b>	<b><u>\$ 8,114,147</u></b>

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

**ON4 COMMUNICATIONS, INC.**  
**Condensed Statements of Operations**  
(Unaudited)

	<u>3 Months Ended</u>		<u>6 Months Ended</u>	
	<u>April 30, 2019</u>	<u>April 30, 2018</u>	<u>April 30, 2019</u>	<u>April 30, 2018</u>
<b>Sales</b>	\$ 1,487,365	\$1,073,000	\$2,915,884	\$ 2,026,211
Less: Cost of sales	(450,000)	(176,000)	(805,000)	(272,000)
Sales commission	<u>(185,921)</u>	<u>(134,125)</u>	<u>(364,486)</u>	<u>(253,276)</u>
<b>Gross Margin</b>	<u>851,444</u>	<u>762,875</u>	<u>1,746,398</u>	<u>1,500,935</u>
<b>Operating expenses</b>				
General and administrative	162,847	147,217	359,528	251,478
Management compensation	62,500	45,000	122,500	75,000
Legal	<u>25,000</u>	<u>25,720</u>	<u>67,000</u>	<u>98,850</u>
	<u>250,347</u>	<u>217,937</u>	<u>549,028</u>	<u>425,328</u>
<b>Operating income</b>	<u>601,097</u>	<u>544,938</u>	<u>1,197,370</u>	<u>1,075,607</u>
<b>Other income (expense)</b>				
Section 3(a)10 deal costs	-	(602,307)	-	(724,893)
Interest	<u>(24,336)</u>	<u>(8,585)</u>	<u>(45,037)</u>	<u>(12,094)</u>
	<u>(24,336)</u>	<u>(610,892)</u>	<u>(45,037)</u>	<u>(736,987)</u>
<b>Net income (loss)</b>	<u>\$ 576,761</u>	<u>\$ (65,974)</u>	<u>\$1,152,333</u>	<u>\$338,620</u>
<b>Weighted average shares outstanding</b>	<u>4,759,546,213</u>	<u>4,279,282,360</u>	<u>4,670,409,812</u>	<u>4,109,604,696</u>
<b>Earnings (loss) per share outstanding</b>	<u>\$ 0.00012</u>	<u>\$ (0.000015)</u>	<u>\$ 0.00025</u>	<u>\$0.00008</u>

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

**ON4 COMMUNICATIONS, INC.**  
**Statement of Changes In Stockholders' Equity (Deficit)**  
(Unaudited)

	Preferred Stock		Common Stock		Additional	Treasury	Accumulated	Stockholders'
	Number	Amount	Number	Amount	Paid-In Capital	Stock	Deficit	Equity(Deficit)
<b>Balance:</b>								
<b>November 1,2017</b>	<b>30,000,000</b>	<b>-</b>	<b>3,858,547,369</b>	<b>\$385,855</b>	<b>\$ 14,800,687</b>	<b>\$ 70,000</b>	<b>\$ (16,246,858)</b>	<b>\$ (990,316)</b>
<b>12 Months ended October 31,2018</b>								
Stock issued to financier of Section 3(a)10 deal			570,000,000	57,000	1,281,461			1,338,461
Stock issued to CEO for expense reimbursements			22,500,000	2,250	50,250			52,500
Stock issued to redeem convertible notes			54,658,149	5,466	76,862			82,328
Liabilities deemed by Management to be unenforceable					1,286,068			1,286,068
Net income for year							1,619,050	1,619,050
<b>Balance:</b>								
<b>October 31 2018</b>	<b>30,000,000</b>	<b>-</b>	<b>4,505,705,518</b>	<b>\$450,571</b>	<b>\$ 17,495,328</b>	<b>\$ 70,000</b>	<b>\$ (14,627,808)</b>	<b>\$3,388,091</b>
<b>6 Months Ended April 30, 2019</b>								
Stock issued to redeem convertible note and interest			426,799,352	42,679	185,869	-	-	228,548
Surrender of shares to Treasury	(30,000,000)	-	(1,400,000,000)	(140,000)	-	140,000	-	-
Issuance of shares to CEO	25,000,000	-	-	-	-	-	-	-
Net income for period							1,152,333	1,152,333
<b>Balance:</b>								
<b>April 30,2019</b>	<b>25,000,000</b>	<b>-</b>	<b>3,532,504,870</b>	<b>\$353,250</b>	<b>\$ 17,549,832</b>	<b>\$ 210,000</b>	<b>\$ (13,475,475)</b>	<b>\$ 4,768,972</b>

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

**ON4 COMMUNICATIONS, INC.**  
**Condensed Statements of Cash Flows**  
(Unaudited)

	<b>6 Months Ended <u>April 30, 2019</u></b>	<b>6 Months Ended <u>April 30, 2018</u></b>
<b>Net cash from (used in) operating activities:</b>		
Net income for period	<u>\$ 1,152,333</u>	<u>\$ 338,630</u>
<b>Adjustments to reconcile net loss to net cash:</b>		
<b>Net changes in operating assets and liabilities</b>		
Increase in accounts receivable	( 1,723,969)	(1,641,383)
(Increase)decrease in accounts payable and accrued expenses	23,502	1,096,188
Increase in amounts due related party	<u>710,849</u>	<u>115,458</u>
	<u>(989,618)</u>	<u>(429,737)</u>
<b>Net cash from (used in) operating activities</b>	<u>162,715</u>	<u>(91,107)</u>
<b>Net cash used in investing activities:</b>		
Acquisition of interest in Cogosense Technology, Inc	<u>(330,000)</u>	<u>(225,000)</u>
	<u>( 330,000)</u>	<u>( 225,000)</u>
<b>Net cash from financing activities:</b>		
Loans from related party	155,000	456,473
Increase(decrease) in notes payable	<u>80,000</u>	<u>(30,000)</u>
	<u>235,000</u>	<u>426,473</u>
<b>Change in cash</b>	<b>67,715</b>	<b>110,376</b>
<b>Cash – beginning of period</b>	<b><u>117,285</u></b>	<b><u>44,321</u></b>
<b>Cash – end of period</b>	<b><u>\$ 185,000</u></b>	<b><u>\$154,697</u></b>
<b>Supplemental information:</b>		
<b>Transactions not involving cash flows:</b>		
Issuance of common stock		
to financier of Section 3(a)10 deal	\$ -	\$1,338,461
Issuance of common stock to CEO	-	1,725
Stock issued to redeem convertible notes and interest	228,548	-
Liabilities deemed by Management as no longer enforceable	-	1,286,068
Increase in issued common stock	( 42,679)	(57,750)
Increase in additional paid-in capital	<u>(185,869)</u>	<u>(2,568,504)</u>
	<u>\$ -</u>	<u>\$ -</u>

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

**ON4 COMMUNICATIONS, INC.**  
**NOTES TO THE CONDENSED FINANCIAL STATEMENTS**  
**For the 6 Months Ended April 30,2019**  
**(Unaudited)**

**1. The Company's Organization, History, and Current Operations**

The Company was originally incorporated on **June 4, 2001** under the laws of the State of Delaware as Sound Revolution Inc. Our common stock is quoted on the Pink Sheets Quotation system under the symbol "ONCI.PK" and on the Berlin Stock Exchange under the symbol "O4C:GR".

On **March 12, 2009**, Sound Revolution Inc. entered into a merger agreement with On4 Communications, Inc., a private Arizona company incorporated on June 5, 2006 ("On4"). On May 1, 2009 we completed the merger with On4, with Sound Revolutions Inc as the surviving entity. On October 2, 2009 the Company then changed its name to On4 Communications, Inc. On **April 29, 2010**, we sold certain specific assets to On4 Communications Inc.(a private Canadian company) and to a shareholder ("On4 Canada") pursuant to an asset purchase agreement in exchange for On4 Canada returning 2,000,000 shares of our common stock to our treasury for cancellation.

On **March 16, 2011**, we sold our interest in the Sound Revolution business to Empire Success, LLC in exchange for \$15,000 and 6,300 shares of Empire's common stock.

On **November 3, 2011**, we entered into a binding letter of intent ("LOI") to acquire 100% of the issued and outstanding shares of NetCents Systems Ltd. ("NetCents"), a private Alberta corporation engaged in the development and implementation of a then unique and secure electronic payment system for online merchants and consumers. The LOI provided for a period of due diligence which was intended to lead to a formal agreement whereby the Company would acquire 100% of the issued and outstanding capital of NetCents.

On **December 15, 2011**, we entered into a share exchange agreement with NetCents and the selling shareholders of NetCents ("Share Exchange Agreement"). Pursuant to the terms of the Share Exchange Agreement, our Company and NetCents agreed to engage in a share exchange which, if completed, would result in NetCents becoming a wholly owned subsidiary of our Company. However, this transaction never in fact closed and on **November 12, 2014** the Company announced that the proposed merger agreement between On4 Communications, Inc. and NetCents Systems Ltd. had been officially rescinded. Effective July 23, 2012, Tom Locke resigned as chief financial officer, secretary, treasurer and as a director of our Company.

On **June 4, 2015** the Company filed with the State of Delaware to increase its authorized capital to 5,030,000,000 shares, comprising 5,000,000,000 common shares of \$ 0.0001 par value each and 30,000,000 preferred stock of no par value.

On **March 9, 2016** Mr. Steve Berman was appointed Chief Executive Officer and Director of the Company ( Mr. Berman also hold those positions today). With his appointment, the Company totally changed its previous business plan and began to aggressively pursue business opportunities to produce a profitable business model going forward.

On **November 4, 2016** the Company acquired a 49% equity/ownership stake in Family Mobil Safety ("FMS") Marketing, the distributor of a safe driving App. Under terms of the deal, FMS and their global distribution network of the drive safe app remains fully operational and continues as a standalone brand following the close of the acquisition. The FMS safe driving app is intended to do a number of things to keep attention on the road while you're driving and not on your smart phone. As soon as the FMS app detects that the vehicles wheels are in motion the App will be programmed to automatically shut down all voice and social media for safe, distraction-free driving. On **December 9, 2016** the Company acquired a Forty-Nine Percent (49%) Joint-Venture equity/ownership stake in Digital Media Management & Consulting ("DMCC") a fast-rising digital signage privately-held company headquartered in New York, NY. The DMCC platform supports advanced implementation of electronic sell-through and content advertising supported networks. On **September 1, 2017** the Company acquired, from the Company's CEO, the remaining 51% share of the FMS Safe Driving App. business and IP. The acquisition price was \$2 million, payable in cash, convertible promissory note and/or in stock. The cash portion is expected to be financed against the Company's accounts receivable.

On **September 7, 2017**, the Company entered into a Settlement Agreement with Livingston Asset Management LLC, a Florida limited liability company ("LAM"), pursuant to which the Company agreed to issue certain common stock to LAM, in tranches, as necessary, in exchange for the settlement of certain past-due obligations and accounts payable of the Company acquired by LAM (the "LAM Assigned Accounts"). Such past-due obligations and accounts payable contained in the Settlement Amount covered approximately \$1.6 million of the Company's obligations, which LAM had settled with the Company's creditors at an overall discount of approximately 45%, resulting in a net settlement of approximately \$ 886,000. On **September 26, 2017**, the Circuit Court of Baltimore County, Maryland (the "Court"), entered an Order Granting Approval Of Settlement Agreement And Stipulation (the "LAM Order")



approving, among other things, the fairness of the terms and conditions of an exchange of the Company's common stock to settle the LAM Acquired Accounts, pursuant to Section 3(a)(10) of the Securities Act of 1933, as amended (the "Securities Act"), in the matter entitled Livingston Asset Management LLC v. On4 Communications, Inc. (the "LAM Action"). The LAM Order provided for the full and final settlement of the LAM Action. The Settlement Agreement became effective and binding upon the Company and LAM upon execution of the LAM Order by the Court on September 26, 2017.

Pursuant to the terms of the Settlement Agreement approved under the LAM Order, the Company agreed to issue to LAM shares (the "LAM Settlement Shares") of the Company's common stock, \$0.0001 par value (the "Common Stock") at a forty five percent (45%) discount. The Settlement Agreement provided that the LAM Settlement Shares could be issued in one or more tranches, as necessary, sufficient to satisfy the LAM Settlement Agreement through the issuance of freely trading securities, exempt from registration, issued pursuant to Section 3(a)(10) of the Securities Act. A total of 610 million common shares were issued in various tranches by the Company, which LAM realized total proceeds, net of direct selling costs, of approximately \$1.61 million, at an overall average sales price of \$ 0.002641 per share. LAM retained 45% of these net proceeds (\$ 724,893) as its administrative, legal and handling fees, and the balance of \$885,980 was used in settlement with outstanding creditors participating in the program.

On **November 7, 2017** the Board of Directors approved a Plan of Conversion whereby it is the Company's intent ("On4-Delaware") to convert its present domicile in the state of Delaware to a new corporation with the same name to domiciled and incorporated in the state of Colorado ("On4-Colorado"). Each of the On4-Delaware present common and Series "A" preferred shares would be converted into an equal number (1 for 1) of fully paid shares in those same stock classes of On4-Colorado. In accordance with this Plan, On4 Communications, Inc. ("On4-Colorado") was duly incorporated in the state of Colorado on **December 15, 2017** with the same number of authorized shares, being of 5 billion common shares and 30 million "Series A" preferred shares. Also on December 15, 2017 Hexagon Holdings Corporation ("HHC") was incorporated in Colorado with an authorized share capital of 4 billion common shares and 20 million Series "A" preferred shares of \$0.0001 par value each. The HHC Series "A" preferred shares are entitled to receive a preferential dividend of 10% annually and each preferred share is entitled to 200 votes per preferred share, together with the right to convert each one Series "A" preferred share to 200 common shares. The Plan anticipates that all of the issued and outstanding stock of the new On4 Communications, Inc. Colorado would be exchanged for an equal number (1 for 1) of shares and class in Hexagon Holdings Corporation (except that, effective February 10, 2019, Steve Berman surrendered to Treasury 1.4 billion of the common shares that he held). Concurrently, Hexagon Holdings Corporation intends to apply to FINRA for a new symbol and CUSIP number, and it is planned for Hexagon Holdings Corporation to become the successor operating business going forward after FINRA approval has been received. At the date of this filing however, none of the above plan has been implemented, such that the Company's domicile remains with Delaware at this point.

During the **12 months ended October 31, 2018** the Company invested a total of \$1,045,000 towards the purchase price of \$ 2.6 million to acquire CogoSense Technology, Inc., a Canadian company, which has developed and is selling its *FleetSafer App* – an enterprise software solution for smart phones and tablets that detects the driving state of an entire on-the-road vehicle fleet and automatically places those devices into "safe mode" while driving occurs, to prevent distractions. CogoSense has also developed an individual consumer version called *bSafeMobile* and the *bFoundMobile* App which is a fleet vehicle tracking system to monitor vehicle locations at any time. The Company increased its cash investment by \$330,000 to **\$1,375,000** during the **6 months ended January 31, 2019**.

On **September 14 2018** the Company announced that it has signed a letter of intent to purchase 75% of a craft Cannabis company called Sifthouse BC for a total consideration of \$ 1 million contingent upon Sifthouse BC obtaining a license to distribute Cannabis related product in Canada. Sifthouse is a craft Cannabis company and a new business based in Vancouver. Their plan is to grow highly profitable, specialty blends of cannabis. Terms of financing are being worked out. The Company's investment commitment to date is \$100,000.

## **2: Summary of Significant Accounting Policies**

### **Basis of Presentation**

These annual unaudited financial statements of On4 Communications, Inc. (the "Company") have been prepared in accordance with accounting principles generally accepted in the United States and contain all normal recurring accruals and adjustments that, in the opinion of management, are necessary to present fairly the Company's financial position at April 30, 2019 and at October 31, 2018, and the results of its operations and cash flows for the 3 and 6 months ended April 30, 2019 and April 30, 2018 respectively.

### **Cash**

At April 30, 2019 the Company had a cash balance of \$185,000 compared with a cash balance of \$ 117,285 at October 31, 2018.

### **Accounts Receivable**

Accounts receivable arise from the Company's sales of the Cogosense and FMS safe driving Apps and its net share of sales derived by Digital Media Management & Consulting, less payments received to date. Receivables are supported by executed sales contracts with customers.

### **Investment in Family Mobile Safety ("FMS")**

On **September 1, 2017** the Company acquired, from the Company's CEO, the remaining 51% share of the FMS Safe Driving App, business and IP. The acquisition price was \$2 million, payable in cash, convertible promissory note and/or in stock. The cash portion is expected to be financed against the Company's accounts receivable. At April 30, 2019 the Company reflected an equal non-current liability to the Company's CEO of \$ 2 million.

### **Investment in CogoSense Technology, Inc.**

On **August 17, 2017** the Company entered into a non-binding Letter of Intent to purchase 100% of CogoSense Technology, Inc., a Canadian company, for total consideration of \$ 2.6 million. CogoSense has developed and is selling its *FleetSafer App* – an enterprise software solution for smart phones and tablets that detects the driving state of an entire on-the-road vehicle fleet and automatically places those devices into "safe mode" while driving occurs, to prevent distractions. CogoSense has also developed an individual consumer version called *bSafeMobile* and the *bFoundMobile* App which is a fleet vehicle tracking system to monitor vehicle locations at any time. At April 30, 2019 the Company had invested a total of \$ **1,375,000** towards the overall purchase price, which consideration includes the IP, technology assets, revenue stream and customer base of CogoSense.

### **Investment in Sifthouse BC**

On **September 14 2018** the Company signed a letter of intent to purchase 75% of a craft Cannabis company called Sifthouse BC for a total consideration of \$ 1 million contingent upon Sifthouse BC obtaining a license to distribute Cannabis related product in Canada. Sifthouse is a craft Cannabis company and a new business based in Vancouver. Their plan is to grow highly profitable, specialty blends of cannabis. Terms of financing are being worked out. The Company's investment commitment to date is \$100,000.

### **Fixed Assets**

The Company has fully amortized its fixed assets.

### **Revenue Recognition**

The Company recorded , supported by sales contracts, totaling \$2,915,884 for the 6 months ended April 30, 2019 arising primarily through the sale of the FMS safe driving App and the CogoSense Apps. This compares with sales of \$ 2,026,211 for the 6 months ended April 30, 2018 (representing an increase of approximately 50% year-over-year).

### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions (if any) that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **Provision for Income Taxes**

At this time, no provision for the payment of income taxes is required on the results of the Company's operations through April 30, 2019. The Company has approximately \$ 13 million of net operating losses carried forward to potentially offset taxable income in future years, which expire commencing in calendar 2026.

### **Current Liabilities**

The Company's liabilities at April 30, 2019 and October 31, 2018 are as follows:

Accounts payable and accrued expenses totaled \$ 111,834 and \$ 112,495 at April 30, 2019 and October 31, 2018. Accrued interest expense on debt payable totaled \$ 74,488 and \$ 83,863 at April 30, 2019 and October 31, 2018, respectively. Notes Payable totaled \$106,549 , unchanged at April 30, 2019 and October 31, 2018 respectively.

Convertible notes payable amounted to \$ 233,633 and \$ 348,633 at April 30, 2019 and October 31 2018 respectively. The net decrease of \$ 115,000 during the 6 months ended April 30, 2019 was achieved through the conversion of certain Notes, plus accrued interest, in exchange for the issuance of 426,758,352 of the Company's common shares during the 6 months ended April 30, 2019. The remaining loan balance at April 30, 2019, \$228,000 represents 12 month convertible notes payable to Machiavelli Ltd LLC, to Carpathia LLC and to J.P. Carey Enterprises, Inc. all of which carry interest at the rate of 12% annum and which are convertible at a rate of 50% of the average market price of the Company's common stock based on the lowest 3 intraday trading prices quoted by OTCMarkets during the 10 day trading period prior to conversion.

### 3. Amounts Due Related Party

The amounts due related party represent amounts due to the Company's CEO, Steve Berman, as follows:

	<u>At April 30, 2019</u>	<u>At October 31, 2018</u>
Accrued but unpaid compensation	\$ 360,763	\$ 240,763
Unreimbursed business expenses paid by the CEO	441,902	236,412
Accrued but unpaid sales commissions	1,187,106	822,620
5% loans to the Company, together with accrued interest thereon	<u>950,584</u>	<u>774,711</u>
Total currently due	<u>\$ 2,940,355</u>	<u>\$2,074,506</u>
Unpaid consideration to acquire 51% interest in FMS	<u>2,000,000</u>	<u>2,000,000</u>
Total non-currently due	<u>\$ 2,000,000</u>	<u>\$2,000,000</u>

### 4. Contingent Obligations/Liabilities

- (1) The Company entered into an Employment Agreement with Mr. Berman as of March 9, 2016 which provides compensation to Mr. Berman at the rate of \$10,000 per month and which grants Mr. Berman the right to acquire up to 50,000,000 of the Company's restricted common shares at a price of \$0.0001 per share, plus the grant of 70,000,000 stock options exercisable at the rate of 2,500,000 common shares per calendar quarter over 7 years at a price equal to the lowest daily trading price in the previous quarter. Through July 31, 2017 he was also entitled to receive a profit incentive bonus by way of sales commissions equal to 25% of the value of all new executed contracts, net of any payments to outside services, derived by the Company from such new contracts. Mr. Berman voluntarily agreed to reduce his commission rate commencing August 1, 2017 to 12.5% and his monthly compensation rate was increased to \$ 20,000. The Company has the right to terminate Mr. Berman's Employment Agreement at any time upon payment of 6 months' salary payable in 16 monthly installments following termination.
- (2) On December 15, 2016 LG Capital Funding, LLC (one of the Company's convertible note holders) commenced an action against the Company claiming that it had been prevented from converting a remaining principal balance of \$ 1,500 and accrued interest thereon of \$ 1,013 into common shares of the Company at the then contracted 50% discount to market stock price. LG additionally claimed \$ 45,239 in compensatory damages and \$ 11,344 in legal fees and costs. The Company filed a motion to vacate the alleged default, which in turn was challenged by LG Capital. A judgement in favor of LG Capital for \$54,543 was issued by the Eastern District Court of New York on September 25, 2018. However, this order was appealed by the Company on October 12, 2018 and the Company has been granted a stay, pending the outcome of a similar case submitted to the Second Circuit of Appeals which pleads that these types of convertible debt contracts are usurious under New York law. The Company may join this action if a motion to consolidate is granted.

### 5. Subsequent Event

On March 12, 2019 the Company filed a preliminary Form 1-A with the SEC to raise capital of up to \$ 1,080,000 from the issuance of 450 million common shares of the Company at the offering price of \$ 0.0024 per share made available pursuant to Regulation A of the Securities Act of 1933. Such offering requires the review and qualification by the SEC before it can be effective. At the date of this filing, such approval has not yet been obtained.