FINANCIAL STATEMENTS

PPJ HEALTHCARE ENTERPRISE, INC.

FINANCIAL STATEMENTS

AS OF

SEPTEMBER 30, 2015

(UNAUDITED)

PPJ HEALTHCARE ENTERPRISES, INC.
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Financial Statements

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PPJ HEALTHCARE ENTERPRISE, INC.
STATEMENTS OF OPERATIONS FOR THE PERIOD ENDED
SEPTEMBER 30, 2015
(UNAUDITED)

	YEAR END	**3RD QTR**
	2014	**2015**
Gross sales contract and Service revenue	$ 182,023	$ 86,008 **
Operating Expenses:		
Commission		
Contract and service cost	329,64768,750	
Marketing expenses		38.907
Legal expenses	458,940	100,530
Software update		6,102
Total Operating Expenses	813,587	214,289
Gross Profit	(159,237)	(128,281)
Provision for income taxes	-0-	-0-
Net gain (loss)	$ (159,237)	$ (128,281)
Earnings per share	$ (0.00)	$ (0.00)
Common shares outstanding	30,561,335	4,035,473,847

** Currently outsourced

The accompanying notes are an integral part of these financial statements

PPJ HEALTHCARE ENTERPRISE, INC.
BALANCE SHEETS
(UNAUDITED)

	2014	**2015**
ASSETS		
Current Assets		
Cash	$11,383	266,937
Contracts receivable	3,074,103	3,084,103
Inventory	131,153	132,080
Equipment	29,519	33,519
Lease deposit	5,900	14,780
Other current assets		
Investment in software	903,882	920,984
Receivable from Litigation	8,453,041	
Contingency Assets		3,949,783
Total Assets	$12,606,981	$8,402,186

The accompanying notes are an integral part of these financial statements

LIABILITIES AND SHAREHOLDERS EQUITY	YEAR END	3RD QTR
	2014	**2015**
Accounts payable and accrued expenses	$ 41,908	$64,465
Due to officers and directors	516,413	69,861
Lease liabilities (3 years)	111,201	159,751
Loan payable	0	
Convertible secured notes ***	895,430	695,430
2006 Convertible notes	1,118,557	****
Legal expenses accrued	508,560	23,000
Total Current Liabilities	$3,192,069	**$1,012,507**

The accompanying notes are an integral part of these financial statements

*** Some creditors accepted 3 years notes in exchange of convertible notes

**** Lender in Bankruptcy, the Company will issue Preferred B Stocks

STOCKHOLDERS EQUITY	2014	2015 3RD QTR
Class A Preferred Stock, par value $10.00, authorized 100,000 shares, none issued or outstanding	0	0
Class B Preferred Stock, par value $2.50, authorized 50,000,000 shares, 2,552,500 issued and outstanding as of December 31, 2013 and December 31, 2014 respectively	5,295,000	5,295,000
Shares to be issued for incentives	256,000	0
Preferred E Stocks issued and outstanding		1,890
Common Stock, $0.0001 par value, 20,000,000,000 authorized, 4,035,473,847 issued and outstanding as of September 30, 2015	1,567,401	403,547
Additional paid in capital	3,162,740	1,817,523

3Retained earnings	(610,229)	(128,281)
Total Stockholders' Equity	$ 9,414,912	7,389,679
Total Liabilities and Stockholder's Equity	$12,900,000	8,402,186

The accompanying notes are an integral part of these financial statements

PPJ HEALTHCARE ENTERPRISE, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

FOR THE THREE MONTHS ENDED	**SEPTEMBER 30, 2015**
Operating Activities	
Net income (loss)	$ (128,281)
Cash flow from operating activities	
Changes in operating assets and liabilities	
Inventory	(0)
Lease deposit	(7080)
Other current assets	(0)
Accounts payable	(64,465)
Investing activities	
Equipment	(0)

Contract receivables		(0)
Increase in current liabilities		(0
Accrued litigation expense		0
Accrued officers'/directors' payable	(69,861)	
Net cash provided by (used in) Loans		

Financing activities	
Loan on convertible notes for one year	
Class B Preferred	
Common Stock to be issued	
Additional paid in capital	

Net increase (decrease) in cash	
Cash at beginning of period	266,937
Cash at end of period	138,656

The accompanying notes are an integral part of these financial statements

PPJ HEALTHCARE ENTERPRISE, INC.
STATEMENT OF CHANGES IN STOCKHOLDERS EQUITY
AS OF SEPTEMBER 30, 2015
(UNAUDITED)

	Common Stock		Series B Preferred Stock		Addl. Paid in Capital			
	Shares	**Amount**	**Shares**	**Amount**		**Net Income**	**Retained Earnings**	**Total Stockholders Equity**
Balance – January 1, 2015	30,561,335	1567,401	5,295,000	5,295,000 0	3,162,740	(486,042)	(610,229)	9,414,912
Stock issued for services	2,100,000,000	2,100,000						
Stock issued as officers and directors compensation								
Stock issued as incentive shares								
Stock issued on conversion of notes								
	+							
Net income September 30, ,2015						(128,281)		
Balance – September 30 2015	4,035,473,8	403,547	$1,890 Class E		1,817,523		(128,281)	7,389,679

The accompanying notes are an integral part of these financial statements

PPJ HEALTHCARE ENTERPRISE, INC

NOTES TO FINANCIAL STATEMENTS

Summary of Significant Accounting Policies and Organization

Note A: Organization and Nature of Business

Healthcare Business Services Groups, Inc... (Herein referred to as "Healthcare" or the "Company" was formed in Delaware in December 1994. On April 23, 2004, the Company acquired 100% of the issued and outstanding shares of Automed software corp., A Nevada Corporation ("Automed"), and 100% of three corporations. The Company acquired Healthcare, Automed, and Silver Shadow from the sole owner, in Exchange for 25,150,000 newly issued treasury shares of the Company's common stock, and the Company changed its name to Healthcare. All references to the Company refers to Healthcare, Automed and Silver Shadow as a collective whole since their various Inceptions.

The merger of the Company with Healthcare business services groups Inc has been accounted for as a reverse acquisition under the purchase method of accounting since the shareholders Of Healthcare Business Services Groups Inc, obtained control of the consolidated entity.

Accordingly, the merger of the two companies has been recorded as a recapitalization of the Healthcare Business Services Group, Inc., being treated as the continuing entity. The continuing Company has retained December 31 and its fiscal year end.

Healthcare is a medical billing service provider that for over fifteen years has assisted various health care providers to successfully enhance their billing function. Healthcare has a diversified market servicing AZ, NY, WA, DE, TX, and California.

Principles of Consolidation

The accompanying consolidated financial statements include the results of operations of the Company and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Going Concern

As shown in the accompanying financial statements, the Company incurred losses from operations resulting in 2015. As of March 31, 2015 the Company's current liabilities exceeded its liquid current assets and the Company has notes that are due and is unable to pay. These factors raise substantial doubt about the Company's ability to continue as a going concern.

The Company will require substantial additional funding for continuing expansion and to implement its business plans. There is no assurance that the Company will be able to obtain sufficient additional funds when needed, or that such funds, if available, will be obtainable on terms satisfactory to the Company. The accompanying financial statements do not include any adjustments that might be necessary should the Company be unable to continue as a going concern.

Note B: Use of Entities

In preparing financial statements in conformity with generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, and revenues and expenses, as well as certain financial statements and disclosures. While management believes that the estimates and assumptions used in the preparation of the financial statements are appropriate, actual results differ from those estimates.

Note C: Cash and Cash Equivalents

For purposes of the cash flow statements, the Company considers all highly liquid investments with original maturities of three months or less at the time of purchase to be cash equivalents.

Note D: Accounts Receivable

Accounts receivable are carried at the original invoiced amount less an allowance for doubtful accounts based on the probability of future collection. Management reviews accounts receivable on a periodic basis to determine if any receivables will potentially be uncollectible. The Company reserves for receivables that are determined to be uncollectible, if any, in its allowance for doubtful accounts. After the Company has exhausted all collection efforts, the outstanding receivable is written off against the allowance.

Allowance for Doubtful Accounts

We generate the majority of our revenues and corresponding accounts receivable from the sales of software products. We evaluate the collectability of our accounts receivable considering a combination of factors. In circumstances where we are aware of a specific customer's inability to meet its financial obligations to us, we record a specific reserve for bad debts against amounts due in order to reduce the net recognized receivable to the amount we reasonably believe will be collected. For all other customers, we recognize reserves for bad debts based on past write-off experience and the length of time the receivables are past due.

The receivables given are receivables for past services for which invoices have been submitted but payments have not been received. The Company has referred these amounts to collection. Some amounts may be reduced or increased once settlements reached.

Note E: Litigation

The amount given as receivable from litigation is the amount is an audited amount prepared the Company's trial expert. The Company was awarded $374,000 due to most of the Company's admitted evidence being stolen by the Defendants. Thus, the jury verdicts were inconsistent and the Company is pursuing a new trial to recover the full amount. This amount does not include, interest, late fees and other damages due to the Company. Large and substantial risks are associated with recovering this receivable.

The Company has filed a "Memorandum of Cost" with the Court asking for trial costs to be paid by Defendants.

Note F: Convertible Notes

To finance its operations, the Company has entered into a series of one year convertible notes. In general, these notes are convertible into common stock at a discount of from 40% to 60% of the market price at the time of conversion. As of March 31, 2015, three of these notes with a face amount of $78,222 were due and unpaid. During 2013, and 2014 he Company issued 22 notes with a face amount of $516,480. Some of these notes were converted during 2015.

Note G: Stock Issuance

During 2014, the Company issued 19,190,549 shares of Common Stock pursuant to the conversion of debt, 2,090,400 for services, and 968,657 for incentive shares.

Note H: Revenue Recognition

The Company's revenue recognition policies are in compliance with Staff Accounting Bulletin SAB 104. All revenue is recognized when persuasive evidence of an arrangement exists, the service or sale is complete, the price is fixed or determinable and collectability is reasonable assured. Revenue is derived from collections of medical billing services. Revenue is recognized when the collection process is complete which occurs when the money is collected and recognized on a net basis.

License revenue - the Company recognizes revenue from license contracts when a no cancelable, non-contingent license agreement has been signed, the software product has been delivered, no uncertainties exist surrounding product acceptance, fees from the agreement are fixed and determinable and collection is probably. Any revenues from software arrangements with multiple elements are allocated to each element of the arrangement based on the relative fair values using specific objective evidence as defined in the SOPs. If no such objective evidence exists, revenues from the arrangements are not recognized until the entire arrangement is completed and accepted by the customer. For arrangements that require significant production, modification or customization of software, the entire arrangement is accounted for by the percentage of completion method, in conformity with Accounting Research Bulletin ("ARB") No. 45 and SOP 81-1.

Services Revenue - Revenue from consulting services is recognized as the services are performed for time-and-materials contracts and contract accounting is utilized for fixed price contracts. Revenue from training and development services is recognized as the services are performed. Revenue from maintenance agreement is recognized ratably over the term of the maintenance agreement, which in most instances is once year.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Significant estimates and assumptions are used for, but are not limited to: (1) revenue recognition; including the estimated expected customer life; (2) asset impairments; (3) depreciable lives of assets; (4) fair value of stock-based compensation; (5) allocation of direct and indirect cost of sales; (6) fair value of identifiable purchased tangible and intangible assets in a business combination; (7) fair value of reporting units for goodwill impairment test and (8) litigation reserves. Actual results could significantly differ from those estimates.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. This reclassification does not affect the net income (loss) of the Company for the period ended March 31, 2015.

Note I: Property and Equipment

Property and equipment is stated at cost. Additions are capitalized and maintenance and repairs are charged to expense as incurred. Gains and losses on dispositions of equipment are reflected in operations. Depreciation is provided using the straight-line method over the estimated useful life of the assets from three to seven years. Expenditures for maintenance and repairs are charged to expense as incurred.

Note J: Software Development Costs

The Company complied with Statement of Position 98-1 ("SOP 98-1") “accounting for the costs of computer software developed or obtained for internal use", as accounting policy for internally developed computer software costs. Under SOP 98-1, we capitalized software development costs incurred during the application development stage.

Subsequently, the Company decided to market the software Automed. Therefore the Company is following the guideline under SFAS 86. SFAS 86 specifies that costs incurred internally in creating a computer software product shall be charged to expense when incurred as research and development until technological feasibility has been established for the product. Thereafter, all software production costs shall be capitalized and subsequently reported at the lower of unamortized cost or net realizable value.

Capitalized costs are being amortized based on current and future revenue for the product (Automed) with an annual minimum equal to straight-line amortization over the remaining estimated economic life of the product.

Note K: Impairment of Long-Lived Assets

Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144") which addresses financial accounting and reporting for the impairment of disposal of long-lived assets and supersedes SFAS No. 121, "accounting for the impairment of long-lived assets and for Long-lived assets to be disposed of," and the accounting and reporting provisions of APB Opinion No. 30, "reporting the results of operations for a disposal of a segment of a business." The Company periodically evaluated the carrying value of long-lived assets to be held and used in accordance with SFAS 144. SFAS 144 requires impairment losses to be recorded on long lived Assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount exceeds the fair market value of the long-lived assets. Loss on long-lived assets to be disposed of its determined in a similar manner, except that fair market values are reduced for the cost of disposal.

Note L: Stock Based Compensation

The Company adopted SFAS No. 123-r effective January 1, 2006 using the modified prospective method. Under this transition method, stock compensation expense includes compensation expense for all stock-based compensation awards granted on or after January 1, 2006 based on the grant-date fair value estimated in accordance with the provisions of SFAS No. 123-r.

Prior to January 1, 2006 the Company measured stock compensation using the intrinsic value method of accounting in accordance with Accounting Principles Board (APB) Opinion No. 25, Accounting for Stock Issued to Employees," and related interpretations (APB No. 25) and has opted for the disclosure provisions of SFAS No. 123. Thus, expense was generally not recognized for the Company's employee stock option and purchase plans.

There were no unvested stock options as of December 31, 2006 and the Company has neither granted nor vested any stock options during the year ended December 31, 2006.

Note M: Income Taxes

The Company accounts for income taxes under the Financial Accounting Standards Board Statement of Financial Accounting Standards No. 109. "accounting for income taxes" ("statement 109"). Under Statement 109, deferred taxes assets and liabilities and their Respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Under Statement 109, the effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

Note N: Basic and Diluted Net Loss per Share

Net loss per share is calculated in accordance with the Statement of Financial Accounting Standards No. 128 (SFAS No. 128), "Earnings per Share." Basic net loss per share is based upon the weighted average number of common shares outstanding. Dilution is computed by applying the Treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. Weighted average number of shares used to compute basic and diluted loss per share is the same since the effect of dilutive securities is anti-dilutive.

Note O: Fair Value of Financial Instruments

Statements of Financial Accounting Standards No. 107, "Disclosures About Fair Value of Financial Instruments" requires disclosures of information about the fair value of certain financial instruments for which it is practicable to estimate that value. For purposes of this disclosure, the fair value of a financial instrument is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced sale or liquidation. The carrying amounts of the Company's accounts and other receivables, accounts payable, accrued liabilities, factor payable, capital lease payable and notes and loans payable approximates fair value due to the relatively short period to maturity for These instruments.

Note P: Concentrations of Risk

Financial instruments which potentially subject the Company to concentrations of credit risk are cash and accounts receivable. The Company places its cash with financial institutions deemed by management to be of high credit quality. The amount on deposit in any one institution that exceeds federally insured limits is subject to credit risk. All of the Company's revenue and majority of its assets are derived from operations in United States of America.

Note Q: Reporting Segments

Statement of Financial Accounting Standards No. 131, Disclosures About Segments of an Enterprise and Related Information (SFAS No. 131) which superseded statement of Financial Accounting Standards No. 14, Financial Reporting for Segments of a Business Enterprise, establishes standards for the way that public enterprises report information about operating segments in annual financial statements.

Healthcare was a medical billing service provider. Healthcare's sister company, Silver Shadow, made an investment in real estate where Healthcare plans to construct its first surgical center and corporate office development.

There has been very insignificant activity in Automed and silver shadow. Hence the Company Has determined it has only one segment.

Note R: Comprehensive Income

Statement of Financial Accounting Standards No. 130 Reporting Comprehensive Income (SFAS No. 130), establishes standards for reporting and displays of comprehensive income its components and accumulated balances. Comprehensive income is denied to include all changes in equity, except those resulting from investments by owners and distributions to owners. Among other disclosures, SFAS No. 130 requires that all items that are required to be recognized under current accounting standards as components of comprehensive income to be reported in financial statements that are displayed with the same prominence as other financial Statements.

Note S: Stockholders Equity

Preferred Stock – The Company's Board of Directors has the authority, without further action by stockholders, to issue shares of preferred stock in one or more series. The Company's Board of Directors may designate the rights, preferences, privileges, and restrictions of the preferred stock, including dividend rights, conversion rights, voting rights, terms of redemption, liquidation preference, and number of shares constituting any series or the designation of any series. The issuance of preferred stock could have the effect of restricting dividends on the Company's common stock, diluting the voting power of its common stock, impairing the liquidation rights of its common stock, or delaying or preventing a change in control. The ability to issue preferred stock could delay or impede a change in control.

Common Stock – Common stockholders are entitled to one vote per share and dividends when declared by the Board of Directors, subject to any preferential rights of preferred stockholders.

Reverse Stock Split

On December 1, 2014, the Company affected a reverse stock split of its outstanding and authorized shares of common stock at a ratio of 1 for 100. All amounts presented in these financial statements have been adjusted for the reverse stock split.

Increase in Number of Authorized Shares

On November 20, 2014, the Company filed a Certificate of Amendment to its Articles of Incorporation with the Secretary of State of the State of Florida to increase the number of authorized shares of common stock. As a result of the amendment, the number of the Company's authorized shares of common stock increased 20,000,000,000.

Note T: New Accounting Pronouncements

In February 2007 the FASB issued SFAS 159, "The Fair Value Option for Financial Assets and Financial Liabilities--Including an Amendment of FASB Statement No. 115." The statement permits entities to choose to measure many financial instruments and certain other items at fair value. The objective is to improve financial reporting by providing entities with the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently without having to apply complex hedge accounting provisions. The Statement is effective as of the beginning of an entity's first fiscal year that begins after November 15, 2007. The management is currently evaluating the effect of this pronouncement on financial statements.

In September 2006, FASB issued SFAS 158 "Employers Accounting for Defined Benefit Pension and Other Post-Retirement Plans - An Amendment of FASB Statements No. 87, 88, 106 and 132(r). This Statement improves financial reporting by requiring an employer to recognize the over-funded or under-funded status of a defined benefit postretirement pan (other than a multi-employer plan) as an asset or liability in its statement of financial position and to recognize changes in that funded status in the year in which the changes occur through comprehensive income of a business entity or changes in unrestricted net assets of a not-for profit organization. This Statement also improves financial reporting by requiring an employer to measure the funded status of a plan as of the date of its year end statement of financial position, which limited exceptions. An employer with publicly traded equity securities is required to initially recognize the funded status of a defined benefit post retirement plan to provide the required disclosures as of the end of the fiscal year ending after December 15, 2006. An employer without publicly traded equity securities is required to recognize the funded status of a defined benefit post-retirement plan and to provide the required disclosures as of the fiscal year ending after September 15, 2007. However, an employer without publicly traded equity securities is required to disclose the following information in the notes to financial statements for a fiscal year ending after December 15, 2006, but before September 16, 2007, unless it has applied the recognition provisions of this statement in preparing those financial statements: A brief description of the provisions of this statement. The date the adoption is required. The date the employer plans to adopt the recognition provisions of this statement, if earlier. The requirement to measure plan assets and benefit obligations as of the date of the Employer's fiscal year-end statement of financial position is effective for fiscal years ending After December 15, 2008. The management is currently evaluating the effect of this Pronouncement on financial statements.

In September 2006, FASB issued SFAS 157 'Fair Value Measurements'. This Statement defines fair value, established a framework for measuring fair value in generally accepted accounting Principles (GAAP), and expands disclosures about fair value measurements. This statement applies under other accounting pronouncements that require or permit fair value measurements, the board having previously concluded in those accounting pronouncements that fair value is the relevant measurement attribute. Accordingly, this statement does not require any new fair value measurements.

However, for some entities, the application of this Statement will change current practice. This statement is effective for financial statements Issued for fiscal years beginning after November 15, 2007 and interim periods within those Fiscal years. The management is currently evaluating the effect of this pronouncement on financial statements.

In March 2006 FASB issued SFAS 156 “Accounting for Servicing of Financial Assets” this statement amends FASB Statement No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities, with respect to the accounting for separately recognized servicing assets and servicing liabilities. This statement:

1. Requires an entity to recognize a servicing asset or servicing liability each time it undertakes and obligation to service a financial asset by entering into a servicing contract.

2. Requires all separately recognized servicing assets and servicing liabilities to be initially measured at fair value, if practicable.

3. Permits an entity to choose 'amortization method' or fair value measurement method for each class of separately recognized servicing assets and servicing liabilities.

4. At its initial adoption, permits a one-time reclassification of available for sale securities to Trading securities by entities with recognized servicing rights, without calling into question The treatment of other available-for-sale securities under Statement 115, provided that the Available-for-sale securities are identified in some manner as offsetting the entity's exposure to changes in fair value of servicing assets or servicing liabilities that a servicer elects to subsequently measure at fair value.

5. Requires separate presentation of servicing assets and servicing liabilities subsequently measured at fair value in the statement of financial position and additional disclosures for all separately recognized servicing assets and servicing liabilities. An entity should adopt this statement as of the beginning of its first fiscal year that begins After September 15, 2006. Management believes that this statement will not have a significant Impact on the financial statement.

In February 2006, FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments". SFAS No. 155 amends SFAS no 133, "Accounting for Derivative Instruments and Hedging Activities", and SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishers of Liabilities." SFAS No. 155, permits fair value remeasurement for any hybrid financial Instrument that contains an embedded derivative that otherwise would require bifurcation, clarifies which interest-only strips and principal-only strips are not subject to the requirements of SFAS No. 133, establishes a requirement to evaluate interest in securitized financial assets to identify interests that are freestanding derivatives or that are hybrid financial instruments that contain an embedded derivative requiring bifurcation, clarifies that concentrations of credit risk in the form of subordination are not embedded derivatives, and amends SFAS No. 140 to eliminate the prohibition on the qualifying special-purpose entity from holding a derivative financial instrument that pertains to a beneficial interest other than another derivative financial instrument. This statement is directive for all financial Instruments acquired or issued after the beginning of the Company's first fiscal year that begins after September 15, 006.

Note U: Supplemental Disclosure of Non-Cash Investing and Financing Activities.

The cash flow statements do not include the following non-cash and financing activities:

In 2005, the Company entered into a settlement agreement for the payment of a note by authorizing the payment of $100,000 in cash and issuance of 1,500,000 restricted shares of the Company. The Company paid $43,500 in cash during the year. The Company valued the share based on the market value of the shares on agreement date. The shares been valued at $150,000 and total amount were paid.

Note V: Subsequent Events.

The Company has started to send out instructions for issuance of Class E Preferred stocks to shareholders affected by reverse splits. Shareholders holding shares before the 2011 split have the right to receive additional stock equal to 20% of their pre-split shares each year for the years 2012, 2013, and 2014. They will receive Class E Preferred

Shares at a value of $0.01. The minimum amount of incentive shares to be received is by any one shareholder is 5,000 shares.