OTC Pink Basic Disclosure Guidelines

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

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

Effective July 23, 2007 QED Connect, Inc.
Effective May 18, 2007 QED Storage, Inc.
Effective December 8,2006 GUWO Holdings, Inc.
Effective September 10, 1991 IX Systems, Inc.
Effective January 6, 1983 Smartcard International, Inc.

2) Address of the issuer's principal executive offices

Company Headquarters
Address 1: 373 S. Willow Street
Address 2: #254
Address 3: Manchester, NH 03103
Phone: 603-425-8933
Email: info@qedconnect.com
Website(s): www.qedconnect.com

IR Contact
Address 1: _____
Address 2: _____
Address 3: _____
Phone: _____
Email: _____
Website(s): _____

3) Security Information

Trading Symbol: QEDN
Exact title and class of securities outstanding: Common and Preferred
CUSIP: 74732Q300
Par or Stated Value: .001
Total shares authorized: 1,000,000,000 common and 500,000,000 preferred as of: May 20, 2013
Total shares outstanding: 304,156,650 common and 250,000,000 preferred as of: January 4, 2013

Transfer Agent
Name: Olde Monmouth Stock Transfer Company, Inc
Address 1: 200 Memorial Parkway
Address 2: Atlantic Highlands, NJ 07716
Address 3: _____
Phone: 732-872-2727
Is the Transfer Agent registered under the Exchange Act?* Yes: X☐ No: ☐

*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any restrictions on the transfer of security:

None

Describe any trading suspension orders issued by the SEC in the past 12 months.

None

4) Issuance History

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);

Q1 2013
6,000,000 shares issued for services rendered @ .0025
Q2 2013
5,000,000 shares issued for services rendered @ .001
Q3 2013
25,000,000 shares issued for services rendered @ .001

Q1 2012
10,000,000 shares issued for services rendered @ .001
Q2 2012
11,000,000 shares issued for services rendered @ .001
28,000,000 shares issued as debt conversion @, 001
Q4 2012
11,500,000 shares issued for services rendered@,001
36,000,000 shares issued as debt conversion @.001
12,000,000 shares sale of common stock @.001

Q1 2011
5,000,000,000 shares of common stock issued for debt conversions
Q2 2011
1,000,000,000 shares of preferred stock issued for services rendered
14,747,604,394 decrease in shares of common stock for 5,500 to 1 reverse stock split
750,000,000 decrease in shares of preferred stock for 4 to 1 reverse stock split
29,410,764 shares of common stock issued for acquisition of StockProfile.com
5,925,000 shares of common stock issued for debt conversions
8,000,000 shares of common stock issued for services rendered
Q3 2011
9,500,000 shares of common stock issued for debt conversions
2,000,000 shares of common stock issued for services rendered
10,000,000 shares of common stock issued for services rendered
Q4 2011
69,000,000 common stock issued for services rendered

B. Any jurisdictions where the offering was registered or qualified;

n/a

C. The number of shares offered;

n/a

D. The number of shares sold;

n/a

E. The price at which the shares were offered, and the amount actually paid to the issuer;

n/a

F. The trading status of the shares; and

n/a

G. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

n/a

With respect to private offerings of securities, the list shall also indicate the identity of the persons who purchased securities in such private offering; *provided*, *however*, that in the event that any such person is an entity, the list shall also indicate (a) the identity of each natural person beneficially owning, directly or indirectly, more than ten percent (10%) of any class of equity securities of such entity and (b) to the extent not otherwise disclosed, the identity of each natural person who controlled or directed, directly or indirectly, the purchase of such securities for such entity.

none

5) Financial Statements

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

A. Balance sheet;
B. Statement of income;
C. Statement of cash flows;
D. Financial notes; and
E. Audit letter, if audited

The financial statements requested pursuant to this item shall be prepared in accordance with US GAAP by persons with sufficient financial skills.

You may either (i) attach/append the financial statements to this disclosure statement or (ii) post such financial statements through the OTC Disclosure & News Service as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

The Financial Report: see Attachment A

6) Describe the Issuer's Business, Products and Services

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

A. a description of the issuer's business operations;

The Company was originally founded as Smartcard International in 1983. The name was changed to IX Systems, Inc. in 1991. In 2006b the Company was acquired by GUWO Holdings.

QED Connect, Inc. was founded in November of 2005 as QED Storage, Inc. and became a public company in May 2007 through a merger with GUWU Holdings. The name was changed to QED Connect, Inc. in July 2007. QED's name derives from the Latin phrase *Quod Erat Demonstratum*, which means 'which was to be demonstrated.

In 2009 QED changed from being an operating company to a Holding Company focusing on acquisitions, strategic partnerships and forming joint ventures.

B. Date and State (or Jurisdiction) of Incorporation:

State of Jurisdiction: New York

Company History

Effective August 8, 2008	QED Connect, Inc. (Symbol: QEDN)
Effective July 23, 2007	QED Connect, Inc. (Symbol: QEDC)
Effective May 18, 2007	QED Storage, Inc.
Effective December 8, 2006	Guwo Holdings, Inc.
Effective September 10, 1991	IX Systems, Inc.
Incorporated January 6, 1983	Smartcard International, Inc.

C. the issuer's primary and secondary SIC Codes;

8742

D. the issuer's fiscal year end date;

December 31st

E. principal products or services, and their markets;

The Company works with organizations that are looking for capital or management assistance or help in reaching their target markets so they can realize their true potential. QED primarily focuses on businesses that are producing revenue and are synergistic with our portfolio and those that will offer additional markets sectors that can provide strong opportunity and diversity for the Company. QED looks beyond current conditions such as underperformance of an existing asset due to inadequate capital, limited development expertise or a lack of strategic vision, and is able to recognize short and long-term asset potential and value-add opportunities.

7) Describe the 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.

In an effort to keep overhead costs low we do not have an office. We maintain a management staff in Manchester, New Hampshire until such time as the Company requires additional facilities.

8) 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 shareholders.

A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

M. Thomas Makmann, President & CEO, holds 13.3% of the common and 100% of the preferred stock.
Roger Bozarth, investor, holds 7.45% of the common stock
Grandview Capital Partners, LLC, investor, holds 9.88% of the common stock

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

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

   none

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

   none

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

C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

M. Thomas Makmann, President & CEO, holds more than 13.3% of the common and 100% of the preferred stock.

9) Third Party Providers

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel
Name: Sam Whitley
Firm: Whitley LLP Attorneys at Law
Address 1: 11767 Katy Freeway
Address 2: Suite 425
Phone: 281-206-0432
Email: swhitley@whitley-llp.com

Accountant or Auditor
Name: Mark Makmann
Firm: _____
Address 1: Manchester, NH
Phone: 603-512-8881
Email: mmakmann@msn.com

Investor Relations Consultant
Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.
Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

10) Issuer Certification

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, M Thomas Makmann certify that:

1. I have reviewed this Annual Disclosure Statement of QED Connect, 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.

Dec 4, 2013

/s/ M. Thomas Makmann
(Digital Signatures should appear as "/s/ [OFFICER NAME]")

President & CEO

QED CONNECT, INC.
CONSOLIDATED BALANCE SHEET
(unaudited)

		Sepember 30 2013		December 31, 2012
ASSETS				
Current assets				
Cash	$	32	$	11
Accoutns Receivable	$	-		
Note receivable	$	228,807		125,000
Investments	$	249,500		
Deferred Tax Asset	$	-		
Total current assets		478,340		125,011
Furniture and Equipment, net	$	-		
Other non-current assets	$	2,500,000		2,500,000
Goodwill	$	2,500,000		2,500,000
Total assets	$	5,478,340	$	5,125,011
LIABILITIES AND SHAREHOLDERS' EQUITY				
Current liabilities				
Accounts payable and other accrued liabilities	$	753,137	$	672,558
Convertible notes payable	$	1,713,225		1,251,714
Notes payable	$	651,150		651,150
Accrued interest	$	959,658		837,668
Current portion of capital lease obligations	$	26,015		26,015
Total current liabilities		4,103,185		3,439,105
Non-current Liabilities				
Loans Payable- net of current portion	$	-		
Total Non-current Liabilities		-		
Shareholders' equity				
Preferred stock, $0.001 and $0.001 par value, respectively,				
500,000,000 and 500,000,000 shares authorized, respectively,				
250,000,000 and 250,000,000 shares issued and outstanding,	$	75,000		75,000
respectively	$	-		
Common stock, $0.001 and $0.001 par value, respectively,	$	-		
1,000,000 and 1,000,000,000 shares authorized, respectively,	$	-		
279,656,650 and268,656,650 shares issued and outstanding,	$	1,676,936		1,640,936
respectively	$	-		
Additional paid-in-capital	$	4,763,780		4,754,780
Accumulated deficit	$	(5,140,561)		(4,784,810)
Non Controlling Interest	$	-		
Total shareholders' equity		1,375,154		1,685,906
Total liabilities and shareholders' equity	$	5,478,340	$	5,125,011

QED CONNECT, INC.
CONSOLIDATED STATEMENT OF OPERATIONS
(unaudited)

	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Net revenues	$ 82,500	$ -
Cost of Sales	$ -	
Gross Profit	$ 82,500	$ -
Operating expenses		
General and administrative	$ 301,851	93,211
Interest expense	$ 136,401	116,425
Depreciation	$ -	
Total operating expenses	438,251	209,636
Net loss	$ (355,751)	$ (209,636)
Basic and diluted loss per share	$ (0.00)	$ (0.00)

QED CONNECT, INC.
CONSOLIDATED STATEMENT OF CASH FLOWS
(unaudited)

	Nine Months Ended September 30, 2013	Nine Months Ended September 30, 2012
Cash Flows From Operating Activities		
Net loss	($ 355,751.26)	$ (209,636)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities		
Depreciation		
Changes in assets and liabilities (net of dispositions and acquisitions)		
Accounts receivable		
Notes receivable	$ (103,807)	
Prepaid and other current assets		
Other non-current assets		
Accounts payable and other accrued liabilities	$ 80,580	
Convertible notes payable		8,500
Notes payable	$ 461,511	26,999
Accrued interest	$ 121,990	113,425
Current portion of capital lease obligations		
Net cash used in operating activities	204,522	(60,712)
Cash flows from investing activities		
Net cash used in investing activities	(249,500)	-
Cash flows from financing activities		
Issuance of preferred stock		
Effect of reverse split on preferred stock		
Effect of common stock 5,500:1 reverse stock split		
Issuance of common stock for acquisition		
Issuance of common stock for debt conversion		28,000
Issuance of common stock for services rendered	$ 36,000	12,000
Issuance of convertible notes officer		
Sale of Stock		21,000
Additional paid-in-capital	$ 124,703	
Net cash provided by financing activities	160,703	61,000
Net increase (decrease) in cash	115,725	288
Cash at beginning of period	$ 10	-
Cash at end of period	$ 115,735	$ 288

NOTE 1-OVERVIEW

Liquidity

The accompanying unaudited consolidated financial statements have been prepared assuming that the Company will continue as a going concern. This contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company incurred net losses of $355,751 and $209,636 for the nine month periods ended September 30, 2013 and 2012, respectively. Additionally, the Company has experienced net losses for the past six years.

At September 30, 2013 the Company had $32, cash on hand, a deficit working capital of $3,624,845 and an accumulated deficit of $5,140,561.

Accordingly, the Company has limited liquidity and access to capital. The Company has insufficient liquidity to fund its operations for the next twelve months or less. In addition, any of the following factors could result in insufficient capital to fund the Company's operations for a period significantly shorter than twelve months:

- if the Company's capital requirements or cash flow vary materially from its current projections;
- if the Company is unable to timely raise capital for the requirements of its joint venture agreements and to cover its operating expenses; or
- if other unforeseen circumstances occur.

The Company's inability to fund its operations may require the Company to substantially curtail its business activities.

These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern.

The Company's plans for correcting these deficiencies include ongoing efforts to raise new capital and negotiating suitable repayment terms for outstanding obligations.

The unaudited consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the inability of the Company to continue as a going concern.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited consolidated financial statements of QED Connect, Inc. have been prepared in conformity with accounting principles regarding interim financial reporting. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for annual financial statements and should be read in conjunction with the unaudited consolidated financial statements previously reported by the Company. In the opinion of management, the accompanying unaudited financial statements contain all adjustments, consisting only of adjustments of a normal recurring nature, necessary for a fair presentation of the Company's financial position as of September 30, 2013, and its results of operations for the periods presented. These unaudited consolidated financial statements are not necessarily indicative of results to be expected for future periods.

Critical Accounting Policies and Use of Estimates

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

Certain amounts from prior periods have been reclassified to conform with current period presentation.

Cash and Cash Equivalents

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

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Expenditures for minor replacements, maintenance and repairs which do not increase the useful lives of the property and equipment are charged to operations as incurred. Major additions and improvements are capitalized. Depreciation and amortization are computed using the straight-line method over estimated useful lives of 5 years.

Intangible Assets

In accordance with ASC subtopic 350-10, *Intangibles, Goodwill and Others*, the goodwill impairment analysis compares the fair value of each reporting unit to its carrying value, including goodwill. The Company evaluates the remaining useful life of an intangible asset that is being amortized each reporting period to determine whether events and circumstances warrant a revision to the remaining period of amortization.

Accounting for the Impairment of Long-Lived Assets

ASC subtopic 360-10-40, *Property, Plant, and Equipment, Impairment of Disposal of Long-Lived Assets*, requires that long-lived assets, such as property and equipment and purchased intangibles subject to amortization, be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the asset is measured by comparison of its carrying amount to undiscounted future net cash flows the asset is expected to generate. If such assets are considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the asset exceeds its fair market value. Estimates of expected future cash flows represent the Company's best estimate based on currently available information and reasonable and supportable assumptions. Any impairment recognized in accordance with ASC 360-10-40 is permanent and may not be restored. For the nine months ended September 30, 2013, the Company did not recognize any impairment of long-lived assets in connection with ASC 360-10-40 based on its reviews.

Advertising

The Company charges advertising costs to expense as incurred. There were no advertising expenses for the nine month periods ending September 30, 2013.

Concentrations of Risk

Credit losses, if any, have been provided for in the financial statements and are based on management's expectations. The Company does not believe that it is subject to any unusual risks or significant risks in the normal course of its business.

Revenue Recognition

We recognize revenue in accordance with Staff Accounting Bulletin ("SAB") No. 104, *Revenue Recognition, Corrected Copy*. Under SAB No. 104, revenue is recognized when persuasive evidence of an arrangement exists, delivery has occurred or services have been rendered, the seller's price to the buyer is fixed or determinable, and collectability is reasonably assured. Revenue is recognized net of sales tax. We apply the specific provisions of SFAS No. 48, *Revenue Recognition when Right of Return Exists.*

Under SFAS No. 48, product revenue is recorded at the transfer of title to the products to a customer, net of estimated allowances and returns and sales incentives. Transfer of title occurs and risk of ownership passes to a customer at the time of acceptance by the customer, depending on the terms of our agreement with a particular customer. For transactions not satisfying the conditions for revenue recognition under SFAS No. 48, product revenue is deferred until the conditions are met, net of an estimate for cost of sales.

Income Taxes

The Company accounts for income taxes under ASC topic 740, *Income Taxes*, ASC topic 740 defines an asset and liability approach that requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns. ASC topic 740 further requires that a tax position must be more likely than not to be sustained before being recognized in the financial statements, as well as the accrual of interest and penalties as applicable on unrecognized tax positions.

Deferred income taxes are recognized for the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each period end, based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized. The provision for income taxes represents the tax payable for the period, if any, and the change during the period in deferred tax assets and liabilities.

Litigation and Other Contingencies

The Company discloses material contingencies deemed to be reasonably possible and accrues loss contingencies when, in consultation with legal advisors, the Company concludes that a loss is probable and reasonably estimable. The ability to predict the ultimate outcome of such matters involves judgments, estimates and inherent uncertainties. The actual outcome of such matters could differ materially from management's estimates. See "Note 9 – Commitments and Contingencies."

Computation of Net Income (Loss) Per Common Share

The Company calculates income/loss per share in accordance with FASB ASC topic 260, *Earnings Per Share*. Basic income/loss per share is computed by dividing the net income/loss available to common shareholders by the weighted-average number of common shares outstanding. Diluted income/loss per share is computed similar to basic loss per share, except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive.

NOTE 3 – FAIR VALUE MEASUREMENTS

The Company's financial assets that are measured on a recurring basis at fair value.

Level 1. The Company utilizes the market approach to determine the fair value of its assets and liabilities under Level 1 of the fair value hierarchy. The market approach pertains to transactions in active markets involving identical or comparable assets or liabilities.

Level 2. The fair values determined through Level 2 of the fair value hierarchy are derived principally from or corroborated by observable market data. Inputs include quoted prices for similar assets, liabilities (risk adjusted), and market-corroborated inputs, such as market comparables, interest rates, yield curves, and other items that allow value to be determined.

Level 3. The fair values determined through Level 3 of the fair value hierarchy are derived principally from unobservable inputs to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset (or similar assets) at the measurement date. As of September 30, 2013 no fair value measurements for assets or liabilities under Level 3 were recognized in the Company's consolidated financial statements.

There were no changes in the Company's valuation techniques during the nine month ending September 30, 2013.

The Company is not exposed to changes in interest rates which could result in cash flow risks.

NOTE 4- FURNITURE AND EQUIPMENT

	September 30, 2013	December 31, 2012
Vehicles	$ 0	$ 0
Equipment	0	0
Furniture and fixtures	0	0
	0	0
Accumulated depreciation	0	0
	$ 0	$ 0

Depreciation expense was $0 and $0 for the nine months ended September 30, 2013 and 2012, respectively.

NOTE 5 – INTANGIBLE ASSETS

On June 17, 2011, the Company acquired the assets of StockProfile.com, StockProfileTV.com, and SPNewsWire.com, which operate financial news Internet sites. The assets acquired included all intellectual property rights, goodwill and web sites for StockProfile.com, StockProfileTV.com, and SPNewsWire.com. In accordance with the terms and provisions of the agreement, the Company acquired the intellectual property rights, goodwill and web sites of StockProfile.com, StockProfileTV.com, and SPNewsWire.com in exchange for the issuance of 29,410,764 shares of the Company's restricted common stock. The shares of common stock were issued on June 17, 2011, and the transaction was valued at $5,000,000. The fair market value of the Company's common stock on the date of issuance was $0.17 per share. The intellectual property rights and web sites have been identified as intangible assets with indefinite useful lives.

Since the Company has recognized the acquired assets as long-lived assets, the acquired assets will not be amortized but the Company will conduct an annual review for impairment of the asset values in accordance with ASC 360-10-40.

NOTE 6 – ACCOUNTS PAYABLE AND OTHER ACCRUED LIABILITIES

Accounts payable and accrued expenses as of September 30, 2013 and December 31, 2012, consisted of the following:

	September 30, 2013	**December 31, 2011**
Trade accounts payable	$ 633,633	$ 614,053
Accrued compensation and related benefits	42,379	48,379
	$ 676,012	$ 662,432

NOTE 7 – CONVERTIBLE NOTES PAYABLE

During 2005, 2006, and 2007, the Company received funds totaling $701,500 pursuant to certain convertible notes payable. The notes bear interest at 7% per annum and payable annually, commencing December 13, 2006. As of September 30, 2013 and December 31, 2012, convertible notes payable and related accrued interest amounted to $651,150 and $341,704**,** and $651,150 and $301,787 respectively.

In January 2010, the Company received $25,000 for a 10% two year loan from a stockholder evidenced by a $25,000 convertible note. As of September 30, 2013 and December 31, 2012, this Convertible Notes Payable and related accrued interest amounted to $0 and $2,589 and $0 and $2,589 respectively.

In January 2008, the Company received $100,000 for an 8 ½% convertible note payable due on demand. As of September 30, 2013 and December 31, 2012, the convertible note payable and related accrued interest amounted to $50,000 and $38,960, and $50,000 and $35,773 respectively.

Company officers received convertible notes from 2005 and 2006 for $349,192 that bear 7% per annum interest. As of September 30, 2013 and December 31, 2012, the accrued interest for these related party notes amounted to $324,042 and $184,764 and $364,442 and $175,265 respectively.

During 2012, the Company received funds totaling $207,000 of funding from various sources in the form of convertible notes evidenced by notes that bear interest at various rates according to the terms and conditions of each note. As of September 30, 2013 and December 31, 2012, convertible notes payable and related accrued interest amounted to $207,000 and $17,761**,** and $207,000 and $4,643 respectively.

During 2013, the Company received funds totaling $490,000 of funding from various sources in the form of convertible notes evidenced by notes that bear interest at various rates according to the terms and conditions of each note. As of September 30, 2013 and December 31, 2012, convertible notes payable and related accrued interest amounted to $490,000 and $15,241**,** and $0 and $0 respectively.

The convertible notes payable are subordinated obligations of the Company and are unsecured. The Company has classified the convertible notes payable as current liabilities at June 30, 2013.

NOTE 8 – NOTES PAYABLE

During 2007, 2008 and 2009, the Company received $711,377 of funding from various sources in the form of loans evidenced by notes that bear interest at various rates according to the terms and conditions of each note. These notes are due on demand and are unsecured. The Company has classified these Notes Payable as current liabilities at September 30, 2013. As of September 30, 2013 and December 31, 2012, these notes payable and related accrued interest amounted to $430,842, and $177,105 and $486,377 and $166,295, respectively.

The Company received a secured loan for $160,000 in August of 2008 that was due and payable in February 2009 and is in default. The Company has classified this Note Payable as a current liability at June 30, 2013. As of September 30, 2013 and December 31, 2012, these notes payable and related accrued interest amounted to $160,000 and $176,167 and $160,000 and $146,367, respectively.

NOTE 9 – INVESTMENT ACCOUNT

The investment account reflects the Energy Today Inc. investment. During 2nd quarter the ownership fell below 50.1% and therefore the financials are not consolidated. In the third quarter the Company had 22% of Energy Today.

NOTE 10 – SHAREHOLDERS' EQUITY

From January 1, 2013 to September 30, 2013, the Company issued the following shares for services.

Type	Quantity	Valuation	Value Per Share
Services - Third Party financial relations consultant	6,000,000	$ 15,000	$ 0.0025
Services – Note Holder	5,000,000	$ 5,000	$ 0.0010
Services – Financial Relations	25,000,000	$ 25,000	$0.0010

In connection with the common stock issued for services, the Company determined fair value based upon the value of the services provided, which was the most readily available evidence.

NOTE 11 – COMMITMENTS AND CONTINGENCIES

Capital Lease Obligations

The Company entered into various lease agreements during 2006 and 2007 to acquire certain equipment.
Payments due under these capital lease obligations at September 30, 2013 and 2012 were $26,015 and $26,015 respectively, which are in default. The Company has classified these Capital Lease Obligations as current liabilities at September 30, 2013 and 2012.

Service Agreements

Periodically, the Company enters into various agreements for services including, but not limited to, public relations, financial consulting and sales consulting. The agreements generally are ongoing until such time as they are terminated. Compensation for services is paid either on a fixed rate, project cost or based on a percentage, as specified, and may be payable in shares of the Company’s common stock or a warrant to purchase shares of the Company’s common stock. During the nine months ended September 30, 2013 and 2012, the Company incurred expenses of $15,000 and $22,000 respectively, in connection with such arrangements. These expenses are included in marketing and general and administrative expenses in the accompanying consolidated unaudited statements of operations. There are no outstanding service agreements at September 30, 2013.

Employment Contract

The Company has no employment contracts.

Employee Retirement Plan

The Company does not offer retirement plans.

Financial Agreements

The Company has no outstanding financial agreements at September 30, 2013.

Other Contractual Obligations

During its normal course of business, the Company has made commitments under which it will or may be required to make payments in relation to certain transactions. These include lease and services agreements.
As of September 30, 2013 there were no material contracts outside of the normal course of business excepting the Joint Venture Agreements with Sofame Technologies, Inc.