SUTIMCO INTERNATIONAL INC.
Consolidated Balance Sheets
Unaudited

	30-Sep 2014	31-Dec 2013
ASSETS		
Current assets:		
Cash and cash equivalents	$ 198	$ 1,904
Accounts Receivable	-	140
Prepaid Expenses	4,177	3,966
Investment in related parties	-	12,636
Total current assets	4,375	18,646
Total assets	$ 4,375	$ 18,646
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 214,879	$ 222,604
Accrued expenses	1,315,777	1,030,408
Due to related party	1,131,007	1,001,274
Judgment	188,547	-
Notes payable	22,262	12,856
Convertible notes payable	388,719	201,593
Total current liabilities	3,261,191	2,468,735
Long term liabilities:		
Note payable - related party - long term	700,000	700,000
Total liabilities	$ 3,961,191	$ 3,168,735
Commitments and contingencies		
Stockholders' deficit:		
Series A convertible preferred stock, $0.001 par value; 10 shares authorized, issued and outstanding as of Sept 30, 2014 and December 31, 2013, respectively, liquidation preference of $1,000,000 as of Sept 30, 2014 and December 31, 2013, respectively.	-	-
Series B convertible preferred stock, $0.001 par value; 20 shares authorized, issued and outstanding as of Sept 30, 2014 and December 31, 2013, respectively, liquidation preference of $2,000,000 as of Sept 30, 2014 and December 31, 2013, respectively.	-	-
Series C convertible preferred stock, $1.00 par value; 292,000 shares authorized issued and outstanding as of Sept 30, 2014 and 656,500 shares authorized, issued and outstanding as of December 31, 2013, respectively	292,000	656,500
Series D convertible preferred stock, $10.00 par value; 400,000 shares authorized, issued, and outstanding as of Sept 30, 2014 and 100,000 shares authorized, issued and outstanding at December 31, 2013, respectively.	4,000,000	4,000,000
Series E convertible preferred stock, 5,500 shares authorized, issued, and outstanding as of Sept 30, 2014 and December 31, 2013.	5,500,000	5,500,000
Common stock; $0.001 par value; 5,500,000,000 shares authorized; 5,177,673,874 shares issued and outstanding at Sept 30, 2014 and 2,167,732,474 shares issued and outstanding as of December 31, 2013.	5,177,673	2,167,732
Additional paid-in capital	1,042,278	3,940,586
Accumulated deficit	(19,960,862)	(19,407,004)
Total SUTIMCo International, Inc. stockholders equity	(3,948,910)	(3,142,186)
Noncontrolling interest in subsidiary	(7,905)	(7,905)
Total stockholders' deficit	(3,956,815)	(3,150,091)
Total liabilities and stockholders' deficit	$ 4,375	$ 18,644

See accompanying Notes to Financial Statements

SUTIMCO INTERNATIONAL INC.
Consolidated Statements of Operations
Unaudited

	For the nine months ended Sept 30	
	2014	2013
Revenues:		
Income	$ -	$ 20,000
Debt Forgiveness	$ -	$ 1,064,313
Operating expenses:		
Sales, general and administrative	478,372	(280,402)
Total operating expenses	478,372	(280,402)
Income (Loss) from operations	(478,372)	1,364,715
Other expenses:		
Interest expense	28,986	42,483
Interest expense from beneficial conversion feature	46,500	47,964
Total other expenses	75,486	90,447
Net Income (Loss)before provision for income taxes	(553,858)	1,274,268
Provision for income taxes	-	-
Net Income (loss)	$ (553,858)	$ 1,274,268
Net loss per share, basic and diluted	$ (0.01)	$ (0.01)

See accompanying Notes to Financial Statements

SUTIMCO INTERNATIONAL INC.
Consolidated Statements of Stockholders' Deficit
For the period January 1, 2014 through September 30, 2014
Unaudited

	Class B Preferred		Class C Preferred		Class D Preferred		Class E Preferred		Common Stock		Additional	Non Controlling	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Paid-In	Interest	Deficit	Deficit
Balance December 31, 2013	20	-	656,500	$ 656,500	400,000	$ 4,000,000	5,500	$ 5,500,000	2,167,732,474	$ 2,167,732	$ 3,940,586	$ (7,905)	$ (19,407,004)	$ (3,150,091)
Common stock issued in satisfaction of conversion of debt	-	-	33,000	33,000	-	-	-	-	3,010,066,400	3,010,066	(2,939,933)	-	-	103,133
Common Stock returned and cancelled	-	-	-	-	-	-	-	-	(125,000)	(125)	(4,875)	-	-	(5,000)
Preferred Shares Cancelled			(397,500)	$ (397,500)	-	-	-	-	-	-	-	-	-	(397,500)
Benefecial conversion features on convertible debt	-	-	-	-	-	-	-	-			46,500	-	-	46,500
Net Income (Loss)													(553,858)	(553,858)
Balance September 30, 2014			292,000	$ 292,000	400,000	$ 4,000,000	5,500	$ 5,500,000	5,177,673,874	$ 5,177,673	$ 1,042,278	$ (7,905)	$ (19,960,862)	$ (3,956,816)

See accompanying Notes to Financial Statements

SUTIMCO INTERNATIONAL, INC.
NOTES TO
CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION

Description of Business

Sutimco International, Inc. (hereafter referred to as the "Company") is a Nevada corporation formed as Real Paper Displays Inc. on May 11, 2006. The Company is a holding company, which utilizes a platform to launch new technology enterprises based on university research developed technologies. The Company provides experienced management to early stage companies that reduce risk of business failure.

Acquisitions

AquaStar Corporation

On October 23, 2009, the Company acquired a 90% ownership in AquaStar Corporation, a privately held Nevada corporation owned by a significant stockholder, for $2,000 (100,000 shares of common stock valued at $.02/share). The Company's consolidated financial statements include the operating results of AquaStar Corporation from the date of acquisition. Pro forma results of operations prior to acquisition have not been presented because the effects of the acquisition of the majority ownership of AquaStar Corporation were not material to the Company's financial results.

SUTIMCo, Inc.

On April 1, 2011, the Company consummated an agreement to acquire 100% of the issued and outstanding capital stock of SUTIMCo, Inc. from a significant stockholder. In exchange, the Company issued 300,000 shares of Class D convertible preferred stock valued at $3,000,000 ($10.00 par value per share) and 30,000,000 Restricted Common Shares valued at $1,000,000. Each share of Series D convertible preferred stock shall be convertible, at the option of the shareholder after a holding period of a minimum of 12 months from the issue date on the share certificate. The Series D convertible preferred stock shares shall be exchanged for the common shares of the Company at a 20% discount to the 10 day average closing price immediately preceding the date on which the Series D convertible preferred stock certificate is received. Additionally, the Company issued a debt instrument in the amount of $5,500,000 which is payable within a twenty-four (24) month period from the date of closing. The note bears no interest and is unsecured.

On November 8, 2011 the Acquisition Agreement was amended as follows; Seller shall receive ($9,500,000) (the "Purchase Price"), to be paid to seller as follows: One Million Dollars ($1,000,000) in the form of Restricted Common Shares of the Buyer, which is due upon closing, Three Million Dollars ($3,000,000) in the form of Preferred Shares of the Buyer to be paid within 30 days from the date of closing, and Five Million Five Hundred Thousand Dollars ($5,500,000) in cash to be paid within a 24 month period from the date of closing.

On September 3, 2013, the Company entered into a Debt Exchange Agreement converting Five Million Five Hundred Thousand Dollars ($5,500,000) into 5,500 Series E Convertible Preferred Shares.

As of March 31, 2014 SUTI Holdings LP returned all common shares to the company for cancellation in order to help the company facilitate a liquidity requirement and now has $4,000,000 in Preferred D shares.

ASC Topic 805, *Business Combinations*, defines the relationship of owners and management of the Company. The Company determined that the acquisition of both AquaStar Corporation and SUTIMCo, Inc. should be accounted for under the guidance of ASC Topic 805-50 "*Transactions Between Entities Under Common Control"*, which requires that assets and liabilities of the acquisition be carried at historical cost and that the financial be combined similar to the pooling method as if the transaction had occurred at the beginning of the period. Accordingly, the shares, including value and beneficial conversion feature have been reflected as of December 31, 2009.

Basis of Presentation

The financial statements of the Company have been prepared in accordance with the accounting principles generally accepted in the United States of America ("GAAP"). In the opinion of management all normal recurring adjustments considered necessary to give a fair presentation of operating results for the periods presented have been included. Interim results are not necessarily indicative of results for a full year. The information included in this Form 10Q should be read in the conjunction with information included in the 2011 audited financials.

Principals of Consolidation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and include the accounts of the Company and its majority owned subsidiaries, AquaStar Corporation and Sutimco Inc. All intercompany accounts and transactions have been eliminated. In the opinion of management, all adjustments necessary to present fairly the consolidated financial position as of September 30, 2014 have been included in the consolidated financial statements.

Going Concern

The Company's consolidated financial statements are prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the Unites States of America and have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business. The Company cannot provide assurance that it can sustain profitability on a quarterly or annual basis in the future. The Company anticipates it may incur losses until it is able to establish significant levels of revenue while controlling its expenses. The Company's success is dependent upon (a) the successful launching of new university research technologies which will generate management fees for the Company and (b) the development, marketing and sales of the products sold by the portfolio companies that the Company manages. There can be no assurance of either of these two factors. Any future success that the Company might experience will depend upon many factors, including factors out of its control or which cannot be predicted at this time.

These factors may include changes in or increased levels of competition, including the entry of additional competitors and increased success by existing competitors, changes in general economic conditions, increases in operating costs, including costs of supplies, personnel and equipment, reduced margins caused by competitive pressures, failure of the Company to launch new technologies and other factors. These conditions may have a materially adverse effect upon the Company or may force it to reduce or curtail operations. In addition, the Company will require additional funds to sustain and expand its efforts, particularly if a well-financed competitor emerges.

From September 2006 through December 2013, the Company raised $357,719, net of issuance costs, in private offerings of its common stock. The Company also raised $168,000 in a private offering of Series C preferred stock for the period ending September 30, 2014 and $124,000 Due to Related Party was converted to series C Preferred Stock. Despite the Company's success in the offerings, there are no assurances that the Company will be able to continue to obtain debt or equity financing on terms acceptable to the Company, if at all. The inability to obtain sufficient funds from operations or external sources would require the Company to curtail or cease operations. Any additional equity financing may involve substantial dilution to then existing stockholders.

Management plans to continue to seek additional funds to meet its capital requirements by issuing additional equity and debt securities.

In view of the matters described above, the continued operations of the Company are dependent upon the Company's ability to raise additional capital, obtain financing and to succeed in its future operations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Definition of fiscal year

The Company's yearend is December 31.

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 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.

Cash and Cash Equivalents

Only highly liquid investments with original maturities of 90 days or less are classified as cash and equivalents. These investments are stated at cost, which approximates market values.

The Company maintains its cash balances at credit-worthy financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC"). As of September 30, 2014, management believes the risk of loss of cash balances in excess of the insured limit to be low.

Fixed Assets.

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided principally on the straight-line method over the estimated useful lives of the assets, which are primarily 3 to 5 years except for the building that is being depreciated over a life of 39 years. The cost of repairs and maintenance is charged to expense as incurred. Expenditures for property betterments and renewals are capitalized. Upon sale or other disposition of a depreciable asset, cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in other income (expense).

The Company periodically evaluates whether events and circumstances have occurred that may warrant revision of the estimated useful lives of fixed assets or whether the remaining balance of fixed assets should be evaluated for possible impairment. The Company uses an estimate of the related undiscounted cash flows over the remaining life of the fixed assets in measuring their recoverability.

Convertible Debenture and Beneficial Conversion Feature.

If the conversion feature of conventional convertible debt provides for a rate of conversion that is below market value, this feature is characterized as a beneficial conversion feature ("BCF"). A BCF is recorded by the Company as a debt discount. In those circumstances, the convertible debt will be recorded net of the discount related to the BCF. The Company amortizes the discount to interest expense over the life of the debt using the effective interest method.

Fair Value of Financial Instruments

The Company calculates the fair value of its assets and liabilities which qualify as financial instruments under this standard and includes this additional information in the notes to the financial statements when the fair value is different than the carrying value of those financial instruments. The estimated fair value of cash, accounts payable and notes payable approximate their carrying amounts due to the nature and short maturity of these instruments. The Company considers the carrying value of its financial instruments to approximate their fair value due to the short maturity of these instruments.

Fair value measurement

ASC Topic 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and requires certain disclosures about fair value measurements. In general, fair values of financial instruments are based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon internally developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. Any such valuation adjustments are applied consistently over time. At this time, management does not plan to adopt fair value accounting for nonfinancial assets or liabilities.

Stock-Based Compensation

All issuances of the Company's stock for non-cash consideration have been assigned a per share amount equaling either the market value of the shares issued or the value of consideration received, whichever is more readily determinable. The measurement date for the fair value of the equity instruments issued is determined at the earlier of (i) the date at which a commitment for performance by the consultant or vendor is reached or (ii) the date at which the consultant or vendor's performance is complete. In the case of equity instruments issued to consultants, the fair value of the equity instrument is recognized over the term of the consulting agreement. At September 30, 2014 and December 31, 2013, no such transactions were recorded.

The Company accounts for all compensation related to options or warrants using a fair value based method whereby compensation cost is measured at the grant date based on the value of the award and is recognized over the service period, which is usually the vesting period. The Company uses the Black-Scholes valuation model to calculate the fair value of options and warrants issued to both employees and non-employees.

Net Loss Per Share

Basic net loss per share is computed by dividing the net loss available to common stockholders for the period by the weighted average number of shares of common stock outstanding during the period. The calculation of diluted net loss per share gives effect to common stock equivalents. Such amounts include shares potentially issuable upon conversion of the convertible preferred stock.

Revenue Recognition

For all portfolio companies that the Company manages, the Company enters into a Venture Acceleration Agreement, (the "Venture Agreement"). Pursuant to the Venture Agreement, the Company will provide certain services and personnel to the portfolio company for an initial term of three years. In return, the portfolio company will pay a management fee and a performance fee.

The management fee calls for a one-time payment of $100,000 and an annual fee in the amount of $930,000, payable in monthly installments of $77,500. For the first three years of the Venture Agreement, the performance fee is six percent of gross revenue. Thereafter, the performance fee will be fifteen percent of quarterly operating profit before the performance fee. Additionally, if the portfolio company has an operating profit in the fourth quarter of the third year of the Agreement, the Company will be entitled to receive fifteen percent of the portfolio company's gross revenue during the two years following the initial term of the Venture Agreement. No performance fees are due for the nine months ended September 30, 2014.

The company offers these services to start up entities that initially do not have the capital to pay the fees, and therefore, collection is not assured until such time these entities successfully raise capital via debt or equity financing. Revenue in this case would be recognized on the cash basis until such time the entities become viable. For the nine months ended September 30, 2014 and for the year ended December 31 2013, all revenues recorded were on a cash basis.

Income Taxes

The Company accounts for income taxes in accordance with ASC Topic 740, Income Taxes. Under this standard, deferred tax assets and liabilities are recognized for future tax benefits or consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measure 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. A valuation allowance is provided for significant deferred tax assets when it is most likely that such an asset will not be realized through future operations.

Recent Accounting Pronouncements

In December 2011, the Financial Accounting and Standards Board (FASB) issued ASU 2011-11, Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities ("ASU 2011-11"). ASU 2011-11 requires an entity to disclose both gross and net information about both instruments and transactions eligible for offset in the statement of financial position and instruments and transactions subject to an agreement with a similar master netting arrangement. ASU 2011-11 is effective for annual and interim reporting periods beginning on or after January 1, 2013. Retrospective disclosure is required for all comparative periods presented. Since this accounting standard requires only enhanced disclosure, the adoption of this standard is not expected to have an impact our financial position or results of operations.

In September 2011, the FASB issued ASU 2011-08, Intangibles-Goodwill and Other (Topic 350): Testing Goodwill for Impairment ("ASU 2011-08"). Under ASU 2011-08, companies testing goodwill for impairment have the option of performing a qualitative assessment before calculating the fair value of the reporting unit (i.e. step 1 of the goodwill impairment test). If companies determine, on the basis of qualitative factors, that the fair value of the reporting unit is more likely than not less than the carrying amount, the two-step impairment test would be required. ASU 2011-08 is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011, with early adoption permitted. The Company is evaluating the revised guidance and does not anticipate that adoption will have a material impact on the Company's Consolidated Financial Statements.

In June 2011, the FASB issued Accounting Standards Update No. 2011-05, Comprehensive Income (Topic 220): Presentation of Comprehensive Income (“ASU 2011-05”). ASU 2011-05 will require companies to present the components of net income and other comprehensive income either as one continuous statement or as two consecutive statements. It eliminates the option to present components of other comprehensive income as part of the statement of changes in stockholders’ equity. The standard does not change the items which must be reported in other comprehensive income, how such items are measured or when they must be reclassified to net income. This standard is effective for interim and annual periods beginning after December 15, 2011. Because this ASU impacts presentation only, it will have no effect on our financial condition, results of operations or cash flows.

In July 2012, the Financial Accounting and Standards Board (FASB) issued Accounting Standards Update (“ASU”) ASU 2012-02, Intangibles – Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment. ASU 2012-02 addresses valuation of indefinite-lived intangible assets other than goodwill, and allows an entity the option to first assess qualitative factors to determine whether it is more likely than not that impairment has occurred. If an entity determines it is not likely that impairment has occurred no further action is necessary. ASU 2012-02 is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, with early adoption permitted. The Company is evaluating the revised guidance and does not anticipate that adoption will have a material impact on the Company's Consolidated Financial Statements.

NOTE 3 – INCOME TAXES

The Company accounts for income taxes in accordance with ASC Topic 740, “Income Taxes.” Under this standard, deferred tax assets and liabilities are recognized for future tax benefits or consequences attributable to temporary differences between the financial statement carrying amounts of existing 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. A valuation allowance is provided for significant deferred tax assets when it is most likely that such an asset will not be realized through future operations.

NOTE 4 – DUE TO RELATED PARTIES

The Company entered into an unsecured revolving note payable to SUTI Holdings LP, a significant shareholder, that was amended in January 2008 to allow the Company to borrow up to $400,000 subject to availability of funds. The note is due 30 days after a written demand for payment has been made and bears simple interest at 10 percent per annum. Interest in the amount of $8,670 was accrued on the note during the nine months ended September 30, 2014. Total principal and interest due to SUTI Holdings under this agreement was $502,839 at September 30, 2014 and $494,214 of December 31, 2013.

Two of the Directors of the Company provided services and funds to the Company. The amounts owing are unsecured, non-interest bearing and due on demand. The balances on the amounts owing to the two Directors as of September 30, 2014 and December 31, 2013 is $119,250 and $58,239, respectively. As of September 30, 2014 two Directors converted $124,000 to Series C Convertible Preferred Shares.

An affiliated company has advanced funds to the Company or provided services. These amounts are unsecured, non-interest bearing and due on demand. The balance on the advances at September 30, 2014 and December 31, 2013 was $436,323.

NOTE 5 –PROMISSORY NOTES AND CONVERTIBLE NOTES

Convertible Debenture

On October 15, 2009, the Company entered into an agreement with Big Apple Equities, LLC ("Big Apple") to provide consulting services. The consulting agreement was assigned by Big Apple Equities, LLC to Boost Marketing on October 15, 2010 with the Company's concurrence.

The Company entered into various unsecured debt arrangements in the form of promissory notes payable to Boost Marketing. The total amount of the promissory notes was $1,286,566. The notes are due 10 days after receiving a written demand for payment from Boost Marketing. The promissory notes bear interest at the rate of 5% per annum. Payment of the notes can be either in cash or SUTIMCo International, Inc. stock. If payment is made in SUTIMCo International, Inc. stock, the "conversion price" is the lesser of (a) the price that the SUTIMCo International, Inc. common stock is trading at on the date of conversion less a 50% percent discount or (b) $0.0001 per share.

On February 13, 2013 the contract with Boost Marketing LLC was terminated with 90 day notice. A settlement agreement resulted in the forgiveness of debt. Convertible Promissory Notes are to be held in Escrow until receiving $5,000,000 in funding. Convertible Promissory Notes total $700,000 at September 30, 2014.

The Company entered into various unsecured debt arrangements in the form of promissory notes payable to Just Marketing. The notes are due 10 days after receiving a written demand for payment from Just Marketing. The promissory notes bear interest at the rate of 5% per annum. Payment of the notes can be either in cash or SUTIMCo International, Inc. stock. If payment is made in SUTIMCo International, Inc. stock, the "conversion price" is the lesser of (a) the price that the SUTIMCo International, Inc. common stock is trading at on the date of conversion less a 50% percent discount or (b) $0.0001 per share. The balance on the notes as of September 30, 2014 was $158,650. Interest in the amount of $2,563 was accrued on the note during the nine months ended September 30, 2014.

The Company entered into various unsecured debt arrangements in the form of promissory notes payable to Fairhills Capital Offshore. The total amount of the promissory notes is $27,500. The notes are due 10 days after receiving a written demand for payment from Fairhills Capital Offshore. The promissory notes bear interest at the rate of 8% per annum. Payment of the notes can be either in cash or SUTIMCo International, Inc. stock. If payment is made in SUTIMCo International, Inc. stock, the "conversion price" is the lesser of (a) the price that the SUTIMCo International, Inc. common stock is trading at on the date of conversion less a 50% percent discount or (b) $0.0001 per share. The balance on the note as of September 30, 2014 was $27,500. Interest in the amount of $1,283.33 was accrued on the note during the period ended September 30, 2014.

On September 24, 2012 the Company entered into an unsecured debt arrangement in the form of promissory notes payable to Brian F. Faulkner Professional Corporation. The total amount of the promissory note is $6,500 and reduces the amount owing in accounts payable. The notes are due 10 days after receiving a written demand for payment from Brian F. Faulkner Professional Corporation. The promissory notes bear interest at the rate of 5% per annum. Payment of the notes can be either in cash or SUTIMCo International, Inc. stock. If payment is made in SUTIMCo International, Inc. stock, the "conversion price" is the lesser of (a) the price that the SUTIMCo International, Inc. common stock is trading at on the date of conversion less a 50% percent discount or (b) $0.0001 per share. The balance on the note as of September 30, 2014 was $6,500. Interest in the amount of $162.48 was accrued on the note during the period ended September 30, 2014.

On October 12, 2012 the Company entered into an unsecured debt arrangement in the form of promissory notes payable to Richard B. Waddington. The total amount of the promissory note is $22,500 and reduces the amount owing in accrued wages. The notes are due 10 days after receiving a written demand for payment from Richard B. Waddington. The promissory notes bear interest at the rate of 5% per annum. Payment of the notes can be either in cash or SUTIMCo International, Inc. stock. If payment is made in SUTIMCo International, Inc. stock, the “conversion price” is the lesser of (a) the price that the SUTIMCo International, Inc. common stock is trading at on the date of conversion less a 50% percent discount or (b) $0.0001 per share. The balance on the note as of September 30, 2014 was $11,300. Interest in the amount of $458.75 was accrued on the note during the nine months ended September 30, 2014.

The Company entered into an unsecured debt arrangement in the form of promissory notes payable to Beaufort Ventures PLC on January 17, 2013. The total amount of the promissory notes is $5,000. The note is due 10 days after receiving a written demand for payment from Beaufort. The promissory notes bear interest at the rate of 12% per annum. Payment of the notes can be either in cash or SUTIMCo International, Inc. stock. If payment is made in SUTIMCo International, Inc. stock, the “conversion price” is the lesser of (a) the price that the SUTIMCo International, Inc. common stock is trading at on the date of conversion less a 50% percent discount or (b) $0.0001 per share. The balance on the note as of September 30, 2014 was $5,000. Interest in the amount of $300 was accrued on the note during the period ended September 30, 2014.

On October 12, 2012 the Company entered into an unsecured debt arrangement in the form of promissory notes payable to Colton Real Estate Group. The total amount of the promissory note is $29,305 and reduces the amount owing in accounts payable. The notes are due 10 days after receiving a written demand for payment from Colton Real Estate Group. The promissory notes bear interest at the rate of 8% per annum. Payment of the notes can be either in cash or SUTIMCo International, Inc. stock. If payment is made in SUTIMCo International, Inc. stock, the “conversion price” is the lesser of (a) the price that the SUTIMCo International, Inc. common stock is trading at on the date of conversion less a 50% percent discount or (b) $0.0001 per share. The balance on the note as of September 30, 2014 was $29,305. Interest in the amount of $1,172.20 was accrued on the note during the period ended September 30, 2014.

On February 21, 2014 the Company entered into an unsecured debt arrangement in the form of promissory notes payable to Brian F. Faulkner Professional Corporation. The total amount of the promissory note is $13,000 and reduces the amount owing in accounts payable. The notes are due 10 days after receiving a written demand for payment from Brian F. Faulkner Professional Corporation. The promissory notes bear interest at the rate of 5% per annum. Payment of the notes can be either in cash or SUTIMCo International, Inc. stock. If payment is made in SUTIMCo International, Inc. stock, the “conversion price” is the lesser of (a) the price that the SUTIMCo International, Inc. common stock is trading at on the date of conversion less a 50% percent discount or (b) $0.0001 per share. The balance on the note as of September 30, 2014 was $13,000.

On January 17, 2014 the Company entered into an unsecured debt arrangement in the form of promissory notes payable to Richard B. Waddington. The total amount of the promissory note is $14,700 and reduces the amount owing in accrued expenses. The notes are due 10 days after receiving a written demand for payment from Richard B. Waddington. The promissory notes bear interest at the rate of 5% per annum. Payment of the notes can be either in cash or SUTIMCo International, Inc. stock. If payment is made in SUTIMCo International, Inc. stock, the “conversion price” is the lesser of (a) the price that the SUTIMCo International, Inc. common stock is trading at on the date of conversion less a 50% percent discount or (b) $0.0001 per share. The balance on the note as of September 30, 2014 was $14,700.

On February 21, 2014 the Company entered into an unsecured debt arrangement in the form of promissory notes payable to Richard B. Waddington. The total amount of the promissory note is $28,083 and reduces the amount owing in accrued expenses. The notes are due 10 days after receiving a written demand for payment from Richard B. Waddington. The promissory notes bear interest at the rate of 5% per annum. Payment of the notes can be either in cash or SUTIMCo International, Inc. stock. If payment is made in SUTIMCo International, Inc. stock, the “conversion price” is the lesser of (a) the price that the SUTIMCo International, Inc. common stock is trading at on the date of conversion less a 50% percent discount or (b) $0.0001 per share. The balance on the note as of September 30, 2014 was $28,083.

On April 17, 2014 the Company entered into an unsecured debt arrangement in the form of promissory notes payable to Richard B. Waddington. The total amount of the promissory note is $22,481 and reduces the amount owing in accrued expenses. The notes are due 10 days after receiving a written demand for payment from Richard B. Waddington. The promissory notes bear interest at the rate of 5% per annum. Payment of the notes can be either in cash or SUTIMCo International, Inc. stock. If payment is made in SUTIMCo International, Inc. stock, the “conversion price” is the lesser of (a) the price that the SUTIMCo International, Inc. common stock is trading at on the date of conversion less a 50% percent discount or (b) $0.0001 per share. The balance on the note as of September 30, 2014 was $22,481.

On April 14, 2014 the Company entered into an unsecured debt arrangement in the form of promissory notes payable to DME Capital LLC. The total amount of the promissory note is $10,000. The notes are due 10 days after receiving a written demand for payment from DME Capital LLC. The promissory notes bear interest at the rate of 5% per annum. Payment of the notes can be either in cash or SUTIMCo International, Inc. stock. If payment is made in SUTIMCo International, Inc. stock, the “conversion price” is the lesser of (a) the price that the SUTIMCo International, Inc. common stock is trading at on the date of conversion less a 50% percent discount or (b) $0.0001 per share. The balance on the note as of September 30, 2014 was $10,000.

On April 17, 2014 the Company entered into an unsecured debt arrangement in the form of promissory notes payable to Trident Enterprises. The total amount of the promissory note is $51,400 and reduces the amount owing in accounts payable. The notes are due 10 days after receiving a written demand for payment from Trident Enterprises. The promissory notes bear interest at the rate of 5% per annum. Payment of the notes can be either in cash or SUTIMCo International, Inc. stock. If payment is made in SUTIMCo International, Inc. stock, the “conversion price” is the lesser of (a) the price that the SUTIMCo International, Inc. common stock is trading at on the date of conversion less a 50% percent discount or (b) $0.0001 per share. The balance on the note as of September 30, 2014 was $51,400.

On April 30, 2014 the Company entered into an unsecured debt arrangement in the form of promissory notes payable to DME Capital LLC. The total amount of the promissory note is $8,500. The notes are due 10 days after receiving a written demand for payment from DME Capital LLC. The promissory notes bear interest at the rate of 5% per annum. Payment of the notes can be either in cash or SUTIMCo

International, Inc. stock. If payment is made in SUTIMCo International, Inc. stock, the “conversion price” is the lesser of (a) the price that the SUTIMCo International, Inc. common stock is trading at on the date of conversion less a 50% percent discount or (b) $0.0001 per share. The balance on the note as of September 30, 2014 was $8,500.

On September 24, 2014 the Company entered into an unsecured debt arrangement in the form of promissory notes payable to DME Capital LLC. The total amount of the promissory note is $5,500. The notes are due 10 days after receiving a written demand for payment from DME Capital LLC. The promissory notes bear interest at the rate of 5% per annum. Payment of the notes can be either in cash or SUTIMCo International, Inc. stock. If payment is made in SUTIMCo International, Inc. stock, the “conversion price” is the lesser of (a) the price that the SUTIMCo International, Inc. common stock is trading at on the date of conversion less a 50% percent discount or (b) $0.0001 per share. The balance on the note as of September 30, 2014 was $5,500.

Notes Payable

The Company owed $2,956 to an individual as of September 30, 2014 and December 31, 2013. The note is unsecured, due on demand with 8% interest.

Note Payable – Related Party

As discussed in Note 1, on April 1, 2011, the Company consummated an agreement to acquire 100% of the issued and outstanding capital stock of SUTIMCo, Inc. from a significant stockholder. In exchange, the Company issued 300,000 shares of Class D convertible preferred stock valued at $3,000,000 ($10.00 par value per share) and 30,000,000 Restricted Common Shares valued at $1,000,000. Each share of Series D convertible preferred stock shall be convertible, at the option of the shareholder after a holding period of a minimum of 12 months from the issue date on the share certificate. The Series D convertible preferred stock shares shall be exchanged for the common shares of the Company at a 20% discount to the 10 day average closing price immediately preceding the date on which the Series D convertible preferred stock certificate is received. Additionally, the Company issued a debt instrument in the amount of $5,500,000 which is payable within a twenty-four (24) month period from the date of closing. The note bears no interest and is unsecured.

As of September 30, 2014 and in order to help the company facilitate a liquidity requirement, SUTI Holdings returned the 155,000,000 common shares it had received above and now has $4,000,000 in Preferred D shares. The Company received 5,500 in Preferred E shares in exchange for the debt instrument.

NOTE 6– STOCK COMPENSATION PLAN

The Company’s non-qualified company stock grant and option plan (“the Plan”), dated August 17, 2007 is intended to promote the interests of the Company and its stockholders by using investment interests in the Company to attract, retain, and motivate its management and other persons, including officers, directors, key employees and certain consultants, to encourage and reward such persons’ contributions to the performance of the Company and to align their interests with the interests of the Company’s stockholders. In furtherance of this purpose, the Plan authorizes the granting of the following types of stock-based awards: non-qualified stock options, restricted stock awards, unrestricted stock awards, and performance stock awards.

Key employees (including employees who are also directors or officers), directors and certain consultants of the Company or any subsidiary are eligible to be granted an award and the type or types of award to be made is decided upon by the Board of Directors taking into account various factors. In the event that the award is in the form of non-qualified stock option, the Board of Directors determines the exercise price as well as the vesting schedule.

The maximum number of shares of the Company's stock that may be issued under the Plan is 4,000,000. As of September 30, 2014, the Company has issued 1,832,000 shares as stock grants to directors, consultants and a related party for services rendered in 2007. No options have been granted during the nine months ended September 30, 2014.

NOTE 7 – STOCKHOLDERS' DEFICIT

Preferred Stock

The Company is authorized to issue up to 10,000,000 shares of its $0.001 par value preferred stock, of which 10 shares have been designated Series A convertible preferred stock, 20 shares have been designated Series B convertible preferred stock, 656,500 shares have been designated Series C convertible preferred stock, 400,000 shares have been designated Series D convertible preferred stock and 5,500 shares have been designated Series E convertible preferred stock.

Series A Preferred Stock

The Series A preferred stock was issued under a technology agreement with a university and subsequently redeemed in 2010.

Series B Preferred Stock

The holders of Series B convertible preferred stock have a liquidation preference of $100,000 per share plus accrued but unpaid dividends. Such amounts will be paid on all outstanding Series B preferred shares before any payment shall be made or any assets distributed to the holders of common stock or any other stock of any other series of preferred stock, but junior to the Series A preferred stockholders. Each share of Series B preferred stock is convertible, at the option of the holder, into an equivalent number of common shares such that the percentage of ownership will be equal to 1% of the common stock authorized and outstanding on a fully diluted basis at the time of conversion. The holders of Series B preferred stock must convert their shares at such time that the Company receives at least $8.5 million in cumulative funding. The holders of these preferred shares shall have the right to vote and cast that number of votes which the holder would have been entitled to cast had such holder converted the shares immediately prior to the record date for such vote. The holder of these shares shall participate in all dividends declared and paid with respect to the common stock to the same extent had such holder converted the shares immediately prior to the record date for the dividend. The Series B preferred stock was issued to SUTI Holdings LP in February 2007.

Series C Preferred Stock

The Company is offering to accredited investors a total of 200 units of convertible Series "C" Preferred stock. Each unit consists of 10,000 shares of Series "C" Convertible Preferred Shares. Each unit is being offered at a price of $10,000. The Company plans to use the net proceeds of this Offering for working capital purposes and such other business purposes as management may from time to time determine. The offering was extended until September 30, 2014.

As of September 30, 2014, 133,000 shares of Preferred stock Series C have been sold and 124,000 shares of preferred stock series C were issued to Directors of the company reducing related party payables. 35,000 shares of Preferred stock Series C was issued reducing notes payable.

Series D Preferred Stock

The Company issued 400,000 shares of Class D convertible preferred stock valued at $4,000,000 ($10.00 par value per share) to acquire 100% of the outstanding shares of SUTIMCo, Inc. Each share of Series D convertible preferred stock shall be convertible, at the option of the shareholder after a holding period of a minimum of 12 months from the issue date on the share certificate. The Series D convertible preferred stock shares shall be exchanged for the common shares of the Company at a 20% discount to the 10 day average closing price immediately preceding the date on which the Series D convertible preferred stock certificate is received.

As of September 30, 2014, the company issued 400,000 Series D Preferred Stock in accordance with the acquisition of SUTIMCo, Inc., which was reflected as if the transaction had occurred at the beginning of the period (See Note 1).

Series E Preferred Stock

The holders of Series E convertible preferred stock have a liquidation preference of $1,000 per share. The number of votes entitled to be cast by the holders of the series E convertible preferred stock equals that number of votes that, together with votes otherwise entitled to be cast by the holders of the series E convertible preferred stock at a meeting, whether by virtue of stock ownership, proxies, voting trust agreements or others, entitle the holders to exercise one vote more than one-half of all votes entitled to be cast. The holder of these shares shall participate in all dividends declared and paid with respect to the common stock to the same extent had such holder converted the shares immediately prior to the record date for the dividend. The Series E preferred stock was issued to SUTI Holdings LP in September 2013. The Company issued 5,500 shares of Class E convertible preferred stock valued at $5,500,000 ($1.00 par value per share).

Common Stock

On September 20, 2011, the company filed with the Secretary of State for Nevada a certificate of amendment that increased the authorized common stock from 950,000,000 with a par value of $0.001 to 5,000,000,000 shares of common stock with a par value of $0.001.

On November 8, 2011, the Company completed a 1,500 to 1 Reverse Stock Split for shareholders of record as of November 8, 2011. The Number of Shares Authorized was amended from 5,000,000,000 shares of Common Stock, par value $0.001, to 950,000,000 shares of Common Stock, par value $0.001, via the filing of a Certificate of Change to NRS 78.209 with the Secretary of State Nevada on October 11, 2011. All references to common shares outstanding reflect or give effect to the reverse split. The holders of the Company’s common stock are entitled to one vote per share of common stock held and have equal rights to receive dividends when, and if, declared by the Board of Directors. In the event of liquidation, holders of common stock are entitled to share ratably in the net assets available for distribution to stockholders, subject to the rights, if any, of holders of any preferred stock then outstanding.

On September 30, 2013, the company filed with the Secretary of State for Nevada a certificate of amendment that increased the authorized common stock from 950,000,000 with a par value of $0.001 to 2,500,000,000 shares of common stock with a par value of $0.001.

On January 21, 2014, the company filed with the Secretary of State for Nevada a certificate of amendment that increased the authorized common stock from 2,500,000,000 with a par value of $0.001 to 4,000,000,000 shares of common stock with a par value of $0.001.

On April 14, 2014, the company filed with the Secretary of State for Nevada a certificate of amendment that increased the authorized common stock from 4,000,000,000 with a par value of $0.001 to 5,500,000,000 shares of common stock with a par value of $0.001.

NOTE 8 COMMITMENTS AND CONTINGENCIES

Litigation

The Company is subject from time to time to litigation, claims and suits arising in the ordinary course of business. As of September 30, 2014 the Company was not party to any material litigation, claims or suit whose outcome could have material effect to the financial statements.

Employment Agreement

On September 24, 2012 the company formalized its employment agreement with its chief executive officer, Fred Rogers. This agreement covers his services rendered for this Company in that position beginning June 1, 2010 for a period of 10 years. Mr. Rogers will be paid a fee of $20,000 per month, in cash or stock, at the Company's discretion. Mr. Rogers will receive compensation equal to $2,500 per month for each portfolio company under contract with the company. Mr. Rogers will receive 14% equity interest earned by the company in each portfolio under contract with the company. Mr. Rogers will receive 16.67% of the revenue bonus earned by the company from each portfolio company. The Executive will receive an annual stock option priced at 150% of the then trading price at the grant equal to 50% of his total preceding annual compensation. The options will have a 2 year life. As of September 30, 2014 the Company owed $657,254. Effective July 24, 2014 Mr. Rogers resigned as Chief Executive Officer.

Indemnities and Guarantees

During the normal course of business, the Company made certain indemnities and guarantees, under which it may be required to make payments to a guaranteed or indemnified party in relation to certain actions or transactions. The Company indemnifies its directors, officers, employees, consultants and agents against liabilities arising out of the performance of services to the Company. The duration of the guarantees and indemnities varies, and is generally tied to the life of the agreement. These guarantees and indemnities do not provide for any limitation of the maximum potential future payments the Company could be obligated to make. To date, the Company has not been obligated nor incurred any payments for these obligations and, therefore, no liabilities have been recorded for these indemnities and guarantees in the accompanying balance sheets.