SaviCorp

ANNUAL REPORT
INFORMATION & DISCLOSURE STATEMENT
FOR THE CALENDAR YEAR ENDING
DECEMBER 31, 2014

NOTE REGARDING FORWARD LOOKING STATEMENTS

This Disclosure Statement contains forward-looking statements that involve substantial risks and uncertainties. These forward-looking statements are not historical facts, but rather are based on current expectations, estimates and projections about our industry, our beliefs and our assumptions. In some cases, you can identify forward looking statements by terminology such as “may,” “will,” “should,” “except,” “plan,” “anticipate,” “believe,” “estimate,” “predict,” “potential” or “continue,” the negative of such terms or other comparable terminology. These statements are only predictions. They are not guarantees of future performance, and there are risks, uncertainties and other factors, some of which are beyond our control and difficult to predict, the occurrence of which could cause actual results to differ materially from those expressed or forecasted in the forward looking statements. Although we believe that the expectations reflected in the forward looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We are under no duty to update any of the forward-looking statements after the date of this Information Statement to conform such statements to actual results or to changes in our expectations.

U.S. Corporate Headquarters

SaviCorp
2530 South Birch Street
Santa Ana, California 92707
(877) 611-7284
www.savicorp.com

SaviCorp, formerly known as Savi Media Group, Inc. (the “Company”), is currently traded on the Pink Sheets OTC Markets under the stock symbol “SVMI.” The Company previously filed reports under the Securities Exchange Act of 1934 with the United States Securities and Exchange Commission (the “SEC” which can be found at www.sec.gov). All such previous filings with the SEC are hereby and herein incorporated by reference.

SAVICORP
Information & Disclosure Statement
(For the period ending December 31, 2014)

PART A GENERAL COMPANY INFORMATION

Item I The exact name of the issuer and its predecessor (if any).

SaviCorp (sometimes referred to hereinafter as the "Company", "we", "us" and formerly known as Savi Media Group, Inc.)

Item II The address of the issuer's principal executive offices.

U.S. Corporate Headquarters
SaviCorp
2530 South Birch Street
Santa Ana, California 92707
(877) 611-7284 Phone
(714) 641-7113 Fax
www.savicorp.com

Item III The jurisdiction(s) and date of the issuer's incorporation or organization.

SaviCorp is a Nevada corporation, originally incorporated as Becniel Corporation on November 3, 1986.

PART B SHARE STRUCTURE

Item IV The exact title and class of securities outstanding.

The Company's common stock, par value $0.001 (the "Common Stock") trades under the trading symbol SVMI and its CUSIP number is 80517R207. In addition to its Common Stock, the Company has shares of preferred stock authorized, issued and outstanding as described herein.

Item V Par or stated value and description of the security.

A. *Par or Stated Value*.

Common Stock-	Par value $0.001
Series A Preferred Stock-	Par value $0.001
Series B Preferred Stock-	Par value $0.001
Series C Preferred Stock-	Par value $0.001

B. *Common or Preferred Stock.*

1. For common equity, describe any dividend, voting and preemption rights.

   Every shareholder of Common Stock issued, either in person or by proxy in writing, has one vote for each share of stock so held and represented at any shareholder meeting.

2. For preferred stock, describe the dividend, voting, conversion and liquidation rights as well as redemption or sinking fund provisions.

   Our original Articles of Incorporation and subsequent amendments thereto are contained in our Supplement filed on OTC Markets on August 25, 2011. On September 29, 2014, the Board of Directors re-classsed 9 million Preferred B shares to Preferred A shares. On September 22, 2014, the Board of Directors modified the Certificate of Designation of the Series B shares to convert to common at 10,000 to 1. There were no Series B shares outstanding at the time of the modification.

3. Describe any other material rights of common or preferred stockholders.

   None other than those defined in the Articles of Incorporation and amendments thereto.

4. Describe any provision in issuer's charter or by-laws that would delay, defer or prevent a change in control of the issuer.

   The Board maintains the authority to approve of the issuance of shares of both common and preferred stock, as well as the authority to hire executives and approve of transactions which may delay, defer or prevent a change in control of the issuer. In addition, the Company's bylaws describe any additional provisions that may delay, defer or prevent a change in control of the issuer. A copy of the Company's bylaws were attached as an exhibit to their Registration Statement on Form SB-2 filed with the SEC on June 27, 2005 and incorporated in its entirety herein by reference

Item VI **The number of shares or total amount of the securities outstanding for each class of securities authorized.**

Capital Structure as of December 31, 2014

Common Stock	
Authorized	6,000,000,000
Issued and Outstanding	5,982,260,962
Estimated Public Float	1,864,674,932
Shareholders of Record	861
Series A Preferred Stock	
Authorized	28,000,000
Issued and Outstanding	27,880,143
Series B Preferred Stock	
Authorized	1,000,000
Issued and Outstanding	274,602
Series C Preferred Stock	
Authorized	10,000,000
Issued and Outstanding	8,455,697

Capital Structure as at December 31, 2013

Common Stock	
Authorized	6,000,000,000
Issued and Outstanding	5,973,827,673
Estimated Public Float	1,751,841,932
Shareholders of Record	872
Series A Preferred Stock	
Authorized	19,000,000
Issued and Outstanding	12,954,900
Series B Preferred Stock	
Authorized	10,000,000
Issued and Outstanding	0
Series C Preferred Stock	
Authorized	10,000,000
Issued and Outstanding	6,958,109

PART C BUSINESS INFORMATION

Item VII The name and address of the transfer agent.

Worldwide Stock Transfer, Inc.
1 University Plaza, Suite 505
Hackensack, NJ 07601
United States of America
Phone: (201) 820-2008
Fax: (201) 820-2010

Worldwide Stock Transfer, Inc. is registered under the Securities Exchange Act of 1934 (the "Act") and is regulated by the United States Securities and Exchange Commission

Item VIII The nature of the issuer's business.

A. Business Development.

1. The form of organization of the issuer (e.g., corporation, partnership, limited liability company, etc.);

   SaviCorp is organized as a Nevada corporation.

2. The year that the issuer (or any predecessor) was organized;

   The Company was originally incorporated as Becniel, Inc. on November 3, 1986 and subsequently adopted the name change to its current corporate name, SaviCorp on October 4, 2006. The name change was reversed, and then the name SaviCorp was later re-instated.

3. The issuer's fiscal year end date;

   December 31.

4. Whether the issuer (or any predecessor) has been in bankruptcy, receivership or any similar proceeding;

   Not applicable.

5. Any material reclassification, merger, consolidation, or purchase or sale of a significant amount of assets;

   Not applicable.

6. Any default of the terms of any note, loan, lease, or other indebtedness or financing arrangement requiring the issuer to make payments;

On December 15, 2009, the Company issued His Divine Vehicle, Inc. ("HDV") a convertible promissory note in the principal amount of $204,302, due and payable on March 15, 2010. Such promissory note is currently in default.

On December 15, 2009, the Company issued Doty Scott Enterprises, Inc. a convertible promissory note in the principal amount of $526,016 due and payable on March 15, 2010. Such promissory note is currently in default.

On 11/15/08, the Company issued Serge Monros a promissory note in the principal amount of $10,000 due and payable on 11/15/09. Such promissory note is currently in default.

On 11/15/08, the Company issued Greg Sweeney a promissory note in the principal amount of $5,000 due and payable on 11/15/09. Such promissory note is currently in default.

On 11/15/08, the Company issued Phil Scott a promissory note in the principal amount of $10,777.50 due and payable on 11/15/08. Such promissory note is currently in default.

On 3/25/14, the Company issued Chul Chung a promissory note in the principal amount of $20,000.00 due and payable on 9/25/14. Such promissory note is currently in default.

7. Any change of control;

   Not Applicable.

8. Any increase of 10% or more of the same class of outstanding equity securities;

   The following transactions increased the number of shares outstanding by 10% or more for each equity class:

- During 2013, the Company issued an aggregate of 567,652,690 shares of common stock in exchange for cash.
- During 2013, the Company issued an aggregate of 1,351,670 shares of Preferred A stock in exchange for services to the Company.
- During 2013, the Company issued an aggregate of 9,450,000 shares of Preferred A stock in exchange for cash.
- During 2013, the Company issued an aggregate of 4,488,500 shares of Preferred C stock in exchange for cash.
- During 2013, the Company issued an aggregate of 749,900,000 shares of common stock in exchange for services to the Company.
- During 2014, the Company issued an aggregate of 12,301,666 shares of Preferred A stock in exchange for cash.
- During 2014, the Company issued an aggregate of 159,846 shares of Preferred B stock in exchange for cash.
- During 2014, the Company issued an aggregate of 1,269,500 shares of Preferred C stock in exchange for cash.

- During 2014, the Company issued an aggregate of 1,700,000 shares of Preferred A stock in exchange for services to the Company.

9. Any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization;

   Not Applicable.

10. Any delisting of the issuer's securities by any securities exchange or deletion from the OTC Bulletin Board; and

    On July 5, 2011, Pink Sheets labeled the Company as a "Caveat Emptor" and temporarily discontinued the display of the Company's quotes pursuant to their internal listing rules and procedures. The company's stock has a "Yield" symbol as of the date of the filing of this Annual Report.

SEC Investigation: The Company received a letter from the Securities and Exchange Commission, Los Angeles Regional Office, dated May 9, 2011. The letter informed us that the SEC had entered into a "formal order of investigation" into "Savi Media Group, Inc." The letter included a "Subpoena Duces Tecum," meaning the Company was given a prescribed period of time to produce all requested documents and information contained in the subpoena. An index of the source of all such produced information and an authentication declaration were also to be supplied. The stated purpose of the investigation is a fact-finding inquiry to assist the SEC staff in determining if the Company has violated federal securities laws. The SEC states there is no implication of negativity or guilt at this stage of the investigation.

The Company initially hired the Los Angeles law firm of Troy Gould to represent us in the matter of this investigation. As of the date of this filing, the Company believes it has provided all requested material to the SEC. Updates on the investigation will be supplied by supplemental filings hereto.

Status of prior private investments; $0 in 2007 (although HDV sold $13,000 of its shares), $0 in 2008 (although HDV sold $445,750 of its shares), $0 in 2009 (although HDV sold $448,000 of its shares), $910,742 in 2010, $1,827,543 in 2011, and $629,500 in the first three quarters of 2012. There is concern that these private placement securities sales were not made in compliance with applicable law (lack of material disclosure and/or failure to file securities sales notices as required by federal law) and the Company may need to offer rescission rights to the investors.

In 2006, the Company issued shares for services valued at $611,768. There were issued shares for services valued at $1,416,060 in 2007; shares for services valued at $14,625 in 2008, shares for services valued at $380,500 in 2009, shares for services valued at $236,920 in 2010, shares for services valued at $3,370,273 in 2011, and shares for services valued at $3,165,039 during the first 3 quarters of 2012. We have no plans to offer rescission for these share issuances.

We offered rescission to many of the 2011 investors in late 2011 ("2011 rescission offer"). The legal sustainability of these rescission offers is also being looked at by Counsel. The results of our rescission offers, in terms of rescission offers accepted by shareholders, were very encouraging. We had four rescissions offers accepted and refunded $13,000 plus interest.

Generally, we believe we have good relationships with our shareholders. Our plan is to offer rescission to most shareholders obtaining privately offered shares from us since January 1, 2007 through 2011. The Company has pledged to use our best efforts, in good faith, to honor any accepted rescission offer. However, there is no assurance that rescission offer acceptances will not have a material effect on our finances or that we will be able to re-pay those electing to rescind in a complete and timely manner. As of the date hereof, the Company has postponed their plans to offer rescission to earlier purchasing shareholders, deeming it advisable to wait until the common stock price increases and they have more operating cash available to pay for the cost of undertaking this endeavor. The Company has booked a liability to account for this rescission liability and marks the liability to market on a quarterly basis. The rescission liability as of December 31, 2014 is $469,404.

11. Any current, past, pending or threatened legal proceedings or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator. State the names of the principal parties, the nature and current status of the matters, and the amounts involved.

See Item VIII (A) (6) and VIII (A) (10) above.

The Company received a letter dated June 7, 2013 with a Civil Complaint titled Arnold Lamarr Weese, et al v. SaviCorp filed in the Northern District of West Virginia. In addition to SaviCorp, Serge Monros and Craig Waldrop are being sued individually. Settlement discussions failed and Plaintiff's counsel began service of Process. The Company and Mr. Monros have hired Shustak and Partners to defend the claim. The defendants have sued for breach of contract, fraud, vicarious liability, and unlawful sale by an unregistered broker. The lawsuit attempts to hold the Company and Mr. Monros responsible for alleged improprieties of Waldrop. The Company has reached a settlement and received court approval on April 7, 2015 which released the Company and Mr. Monros of any alleged liability. The Company has recorded a settlement liability of $1,580,282 which represents an estimate of the fair value of the consideration to be paid to the Plaintiffs based on most recent settlement discussions. This amount includes the current value of approximately 300,000,000 shares to be issued and the $100,000 in legal fees to be paid.

B. <u>Business of Issuer</u>. Describe the issuer's business so a potential investor can clearly understand it.

SaviCorp is a Nevada Corporation, listed on the Pink Sheets as SVMI. SaviCorp's primary business is the sale of three inventions: the DynoValve, DynoCap, and DynoValve Pro. The Company's rights to sell these products are described in greater detail under Item IX

(G). The DynoValve is an OEM replacement for the present Positive Crankcase Ventilation ("PCV") valve installed on most gasoline engines in the United States and other countries. After exhaustive research and patent pending applications, on September 10, 2010, the Air Resources Board of the California Environmental Protection Agency issued Executive Orders D-372 and D-677, permitting the advertisement, sales and installation of the DynoValve on certain gas-powered vehicles in California. The savings, in both fuel economy and emissions, have surpassed the Company's expectations. Our products are available now on the market. The Company believes this is "Green Technology" because it substantially reduces the "carbon footprint" of petroleum fuel-based vehicles.

Mission

The Company's mission is to become a leading provider of multiple fuel efficiency and emission reduction technologies and related systems that resolve practical emission reduction and engine combustion system problems.

Strategy

The Company's strategy is to offer a broad and highly competitive product line and skilled professional management to attain international brand recognition and market acceptance.

Prime Directive

The Company's main objective is to design, develop and distribute exhaust emission and fuel efficiency technologies to world markets, to significantly increase fuel efficiency and reduce emissions around the globe, one vehicle at a time.

Management Team

SaviCorp's management team has over 80 years of combined experience in entrepreneurial ventures, technology development companies, venture financing, senior management, product development & marketing, and administration. In addition, the Company's strategic plan is structured to attract the best management for directing the development and growth of its organization, in order to prosecute the Company's aggressive market penetration and commercialization model.

Market Opportunities

SaviCorp is evolving from an aftermarket fuel-saving and emissions-reduction product development company into a market-driven company. The Management Team has comprehensive experience in introducing new products and technologies and is seeking to capitalize on our capabilities within carefully chosen market sectors. The company is developing dynamic internal/ external sales and marketing staff that will be charged with expanding distribution channels and penetrating high-value markets. Brand name recognition, Private Label offerings, and broad market acceptance are key elements in the Company's overall strategy.

General Discussion – Marketplace Issues

Most fuel-saving devices currently in the marketplace are variants of magnetic control devices, purporting to improve fuel economy by realigning fuel molecules as they pass through a magnetic field. Gasoline is a mixture of hydrocarbon molecules that vary in size and shape. Longer molecules tend to burn slowly and incompletely to produce unburned hydrocarbons that eventually combine to form various exhaust pollutants. The magnetic devices on the market seek to delay the burning of short-chain hydrocarbons and hasten the burning of the longer hydrocarbons by reducing long molecules to short molecules. The general theory regarding a magnetic field's possible effect on fuel may have some merit, but in practice it has been found that any effect that the magnets may exert with respect to changing the molecular composition of gasoline is minor. The net effect vanishes well before gasoline actually enters a vehicle's engine because the molecules do not stay aligned after leaving the magnetic field. The EPA, Popular Mechanics, and the Discovery Channel's "Mythbusters" program have undertaken and filmed independent tests focused on such products. None of the tests reported by independent laboratories have demonstrated any benefit from the use of magnetic field fuel economy devices.

In addition to the magnetic field devices described above, there are many other types of "fad" or pseudo-scientific fuel-saving devices currently on the market. None of them have been shown to effectively reduce emissions or increase fuel economies. The generally poor performance of such devices produced significant skepticism among potential consumers which taints the marketability of legitimate devices.

SaviCorp's DynoValve® product is an example of a product that is grounded in solid science and engineering know-how that has been subjected to rigorous independent testing to validate its performance in actual use in a wide variety of applications.

1. The issuer's SIC Codes;

   The Company's primary SIC Code is 3714.

2. If the issuer has never conducted operations, is in the development stage, or is currently conducting operations;

   The Company is currently conducting business operations.

3. Whether the issuer is or has at any time been a "shell company";

   The Company is not presently a "shell company." It was a shell company early in its existence and is subject to special SEC rules regarding eligibility of Company shareholders to utilize Rule 144 of the SEC.

4. The names of any parent, subsidiary, or affiliate of the issuer, and its business purpose, its method of operation, its ownership, and whether it is included in the financial statements attached to this disclosure statement;

   HDV may be deemed an affiliate of the Company. Serge Monros, the Company's Chief Executive Officer, is also the sole officer, director, and shareholder of HDV. The financial statements of HDV are not attached to this disclosure statement.

5. The effect of existing or probable governmental regulations on the business;

We believe that we are in compliance with all applicable regulations that apply to our business as it is presently conducted. Our individual manufactured products, as such, are not subject to certification or approval by the U.S. Environmental Protection Agency or other governmental agencies domestically or internationally before they are sold. However, such agencies may test and certify a sample engine fitted with our devices before we are allowed to engage in certain activities, like selling or marketing our products in certain jurisdictions. For example, on September 10, 2010, the Air Resources Board of the California Environmental Protection Agency issued Executive Order D-677, permitting the advertisement, sales and installation of the DynoValve on certain gas-powered vehicles based on emissions test data generated on two vehicles. We intend to seek a similar order for DynoValve Pro. Our sales and marketing activities may be limited until we receive the necessary authorizations from the applicable environmental regulations.

Depending upon whether we manufacture or license our devices in the future and in which countries such devices are manufactured or sold, we may be subject to regulations, including environmental regulations at such time. However, we are not aware of any existing or probable governmental regulations that may have a material effect on the normal operations of our business. There also are no relevant environmental laws that require compliance by us that we have not complied with that may have a material effect on the normal operations of the business.

6. An estimate of the amount spent during each of the last two fiscal years on research and development activities, and, if applicable, the extent to which the cost of such activities are borne directly by customers;

The Company estimates the amount spent on research and development during the past two fiscal years at approximately $50,000, none of which has been borne directly by any customer. This figure includes hard costs and not items such as salaries or fees paid to personnel working on research and development projects.

7. Costs and effects of compliance with environmental laws (federal, state and local); and

We are or may be subject to numerous federal, state, local and foreign laws and regulations governing our operations, including the handling, transportation and disposal of our products and our non-hazardous and hazardous substances and wastes, as well as emissions and discharges into the environment, including discharges to air, surface water and groundwater. Failure to comply with such laws and regulations could result in costs for corrective action, penalties or the imposition of other liabilities. Changes in environmental laws or the interpretation thereof or the development of new facts could also cause us to incur additional capital and operation expenditures to maintain compliance with environmental laws and regulations. We also may be subject to laws and regulations that impose liability and cleanup responsibility for releases of hazardous substances into the environment without regard to fault or knowledge about the condition or action causing the liability. Under certain of these laws and regulations, such liabilities can be imposed for cleanup of previously owned or operated properties. The presence of contamination from such substances or wastes could also adversely affect our ability to utilize our leased properties. Compliance with environmental laws and regulations has not had a material effect upon our earnings or financial position; however, if we violate any environmental obligation, it could have a material adverse effect on our business or financial performance.

8. The number of total employees and number of full-time employees.

As of December 31, 2014, the Company had 8 full time employees. In addition, we hire independent contractor labor on an as needed basis.

Item IX The nature of products or services offered.

In responding to this item, please describe the following so that a potential investor can clearly understand the products and services of the issuer:

A. Principal products or services, and their markets;

We currently have rights to market and sell two types of DynoValve products - DynoValve and DynoValve Pro. We have been granted these rights by HDV, as described in greater detail under Item IX (G).

DynoValve Overview

Dyno: *An instrument designed to measure power, exhaust emissions, and fuel economy.* Valves: *Devices that regulate the flow of gases through apertures by opening and closing.*

Background - Automotive Crankcase Ventilation Systems

During normal operation, an automotive engine produces hot exhaust gases which are compressed and ignited in the combustion chamber with each stroke of the piston. Some of the exhaust gases escape past the piston compression rings and accumulate in the crankcase. Approximately 70% of these blow-by gases consists of unburned fuel that can dilute and contaminate the engine oil, causing corrosion to critical engine parts and a build-up of sludge. As the engine's rotational speed increases, the pressure in the crankcase increases because the volume of blow-by gases increases. When the pressure exceeds nominal limits in the crankcase, oil leaks past seals and gaskets, covering the engine with greasy sludge. If the pressure is not relieved, oil in the crankcase can be forced to blow out of the engine directly into the environment.

Prior to 1963, internal combustion engines used in automobiles and light-duty trucks were equipped with simple road-draft tubes which vented the hydrocarbon emissions accumulated in the crankcase directly out into the open air. In 1963, at the direction of the US EPA, automobiles were manufactured with an outlet device called a Positive Crankcase Ventilation valve [PCV]. The PCV valve as originally designed provided a metered opening connected to a hose that in turn was connected to the engine's intake manifold. The PCV valve was designed to take advantage of the fact that during operation, the intake manifold exerts a vacuum effect that sucks the blow-by gases from the crankcase and ports it back into the intake manifold, where unburned fuel and other hot gases are re-burned. This process reduces exhaust and blow-by emissions by igniting unburned fuel vapors carried down into the crankcase.

The PCV valve concept as currently embodied in modern cars and trucks leaves much to be desired because it does not effectively remove accumulated exhaust gases or redirect them back into the engine for further combustion. Engines operate within efficiency ranges which are fully dependent on how efficiently they are permitted to 'breathe'. By introducing an improved version of the PCV valve, the Company has developed a means by which to increase the aspiration efficiency of gasoline and diesel engines. The fact that it reduces operating temperatures, extends the duty-cycle of engine lubricants, increases fuel combustion efficiency, and significantly mitigates the profile of contaminating exhaust gases means that it is unique in the world of after-market and OEM devices.

DynoValve® Automotive Products

SaviCorp's primary business is the sale and installation of the DynoValve® family of automotive products in North America and elsewhere, under the terms of various Marketing and Distribution Agreements (MDA). In 2013, the DynoValve (for gasoline engines) & DynoValve Pro (for diesel engines) devices are the two mainstays of the Company's revenue generating inventory. A newly-adapted product branded under the name DynoCap® has been added to the product line to support engines manufactured outside the US which are not equipped with modern PCV valve equipment. The DynoValve family of automotive products is marketed and sold as an Original Equipment Manufacturer's (OEM) replacement for Positive Crankcase Ventilation ("PCV") valves, which are installed on most automobiles and light duty trucks with gasoline engines sold in the United States and in most other countries of the world.

CARB Certification

The Company recognizes the need for credibility as a primary underpinning for its products and services. Accordingly, much time, effort and capital was expended during 2014 to obtain certification from independent laboratories operating under EPA guidelines. After exhaustive research and numerous recently-filed patent pending applications, on September 10, 2010, the Air Resources Board of the California Environmental Protection Agency issued Executive Order D-677, permitting the advertisement, sale and installation of the DynoValve® devices on certain gasoline-powered vehicles in the State of California. The test results reported by CARB which verify performance of the DynoValve® products to improve fuel economy and reduce emissions, have surpassed the Company's expectations. As a result, DynoValve® products are now available in the marketplace via direct purchase, fleet purchase agreements, online retail sales, and special offers to municipalities and governmental agencies. The Company believes this is clearly a "Green Technology" because its use substantially reduces the "carbon footprint" associated with the use of today's gasoline-powered cars and trucks. In 2014, the Company applied for two additional addenda and certifications based on expanded testing and new results for improved product micro-controller settings.

Independent Testing

We have sought out and have received independent testing results, which have validated our claims. At our request, tests were conducted by California Environmental Engineering, a greater Los Angeles area based leading independent environmental testing firm, over the last eight years. Overall, California Environmental Engineering is a consulting firm specializing in the testing of environmental and engine instrumentation. California Environmental Engineering provided a written conclusion after testing that provides, in part:

> "We have evaluated the data from the test runs in the demonstration of the Crankcase Ventilation System. We can attest to the positive effect of the Crankcase

Ventilation System. In conclusion, the technology has demonstrated that it has both economic and environmental benefits".

In 2014, the Company began a series of independent third-party tests with ECO Logic at the EPA laboratories located at Olson Eco-Logic laboratories. These tests will continue at least into FY- 2015.

Additional testing has been performed by KLD Environmental Consultations with similarly positive results.

The Company has filed the EPA Section 511 application which seeks to obtain ISO-9001 manufacturing certification for its DynoValve family of automotive products. This is an expense and resource-intensive process which will continue well into FY-2015.

DynoValve

The DynoValve products are electronically controlled PCV/ Crankcase Oil Recovery Emission Control Systems ("COREC"). Independent test results by Environmental Testing Corporation, CEE of California show that with DynoValve products, there is a reduction of all exhaust emissions, especially in nitrogen oxide ("NOx") while simultaneously reducing fuel and oil consumption. There are currently two types of DynoValve products – DynoValve and DynoValve Pro.

DynoValve is a patented PCV valve. It is designed for use in automotive gasoline powered vehicles. DynoValve replaces Original Equipment Manufacturer ("OEM") PCV valves. DynoValve eliminates the vacuum problems associated with today's standard PCV valves by optimally regulating the flow of engine blow-by-gases. This ventilation is accomplished with the use of an electronically controlled reprogrammable microprocessor. The electronically-controlled DynoValve regulates the flow of blow-by gases returning to the engine intake system, thereby improving fuel mileage and reducing hydrocarbons (HC), carbon monoxide (CO) and oxides of nitrogen (NOx) Exhaust Emissions.

DynoValve Pro

DynoValve Pro is a closed crankcase emission control and oil recovery system designed for diesel engines. It filters particles and oil droplets from the blow-by gases. The filtered gas is then returned to the air intake system of the crankcase and the filtered oil is returned to the engine crankcase. By recycling the crankcase emissions through DynoValve Pro, harmful gases and oil film that causes engine and environmental problems is filtered. Maintenance costs may be lowered with the reduction of only residue that coats the engine and its components or the prevention of clogged radiators and air cleaners. DynoValve Pro helps engines operate at full efficiency while improving performance and lowering the costs of operation. We currently are seeking the required approvals from the Air Resources Board of the California Environmental Protection Agency to advertise, sell and install DynoValve Pro in California.

Both DynoValve and DynoValve Pro can regulate the flow of gases depending on engine speed. This is accomplished by designing the DynoValve products & IP to be electronically activated by using reprogrammable microprocessor that processes data from the engines revolutions per minute (RPM).

Both DynoValve and DynoValve Pro are available in various sizes and versions and can be installed by a mechanic in approximately 1 to 2 ½ hours.

Product Advantages

DynoValve & DynoValve Pro Products have been shown by independent testing to demonstrate the following positive features:

- Mitigate carbon footprint (substantially reduces carbon monoxide emissions through smog emission tacking);
- Improve fuel efficiency and mileage;
- Increase engine performance (Dynamometer readings show a dramatic increase in overall engine performance);
- Substantially reduce fuel and oil consumption;
- Suitable for original factory applications on new engines as well as retrofitting used vehicles.
- Cost effective:
    - The savings in overall fuel, oil and engine service requirements are significant;
    - Carbon Credits are generated by the use of the DynoValve & DynoValve Pro;
    - The expense of fitting DynoValve is recaptured with short use and dependent on mileage use (within 6 to 12 months for passenger cars but 2 months with a taxi);
- Useable with marine engines; Suitable for original factory applications on new engines as well as retrofitting used vehicles.

The Company plans to release the DynoValve Pro (diesel) for general use in 2015, suitable for use by large fleet owners, locomotives, heavy equipment, stationary engines and marine engines, as well as ocean liners.

B. Distribution methods of the products or services;

The Company's strategic marketing plan focuses on developing and maintaining strategic partnering and marketing relationships with high profile, name-brand organizations. We currently market through a select group of commercial retailers. We are graduating to global sales via implementation of a series of Exclusive Licensing and Marketing Agreements with carefully selected distribution and commercialization partners. As this process matures, it will enable us to rapidly expand our markets through pre-existing relationships and minimize overhead during the development of a sustainable revenue base.

In order to widen our market channels, we have and will continue to implement an ongoing marketing campaign in parallel to our negotiation with major retail distributors and strategic partners. This will make it possible for us to respond effectively and efficiently to the needs of the market while creating a direct access to its potential clients/and/or customers. Just-in-time order fulfillment will insure prompt delivery of our products. The primary targets for our products are local cities across the nation and major cities worldwide. As disclosed, infra, we are also marketing our products directly to corporate fleets, municipalities, government entities and OEM's.

Distribution Channels

We sell directly to retail customers and distributors. The targeted channels for this part of the Company's strategy include:

1. Licensing & Distribution Agreements. In June, 2013, the Company entered into a five (5) year Master Distribution Agreement with His Divine Vehicle to sell the DynoValve and DynoValve Pro in various internationally territories. The consideration for the agreement was a guaranteeing a minimum annual volume, payment for the DynoValves acquired and a three percent (3%) royalty payment.

In March 2013, the Company entered into a five-year Exclusive Marketing and Distribution Agreement with DynoGreen Tech, LLC ("DGT") to sell the DynoValve products in the licensed territories including UAE, Saudi Arabia, Egypt, and India.

In September 2014, the Company entered into a 5-year marketing and distribution agreement with Beijing FlyingGlob, a major distributor of pollution control and exhaust emission products in the People's Republic of China. Additional licensing and distribution agreements are currently being negotiated with strategic partners in India, Russia, EEU, South Africa, South America, Mexico/ Pemex, South Korea and Thailand (Myanmar).

2. OEM/Private Label. The Company is establishing strategic partnerships and marketing relationships with high profile, name brand organizations. We offer to private label, co-label or customize our products, allowing partners to rapidly penetrate their customer base by using their own names and reputation. A typical private label partner is Walker Automotive Group. We are currently negotiating a private label arrangement which would provide Walker with several versions of the DynoValve branded under another name.

In 2014, the Company entered into a private labeling agreement with Walker Distributing Group which allows the Walker Group to sell and distribute the DynoValve product under a private label brand name through more than 1,100 automotive retail outlets in the US and Canada.

3. Catalog, Retail & OEM. The Company is working to establish sales and marketing partnerships with compatible companies that directly sell and ship goods to consumers

through catalog sales. This strategy serves to increase market penetration because catalogs increase overall outreach into the marketplace. Catalogs provide a venue in which products can be directly positioned against competitive units, and influence buyer awareness and acceptance on an extremely broad scale. We will continue to work with catalog partners to stretch marketing and advertising budgets through cooperative marketing campaigns and direct mail efforts.

4. Direct Mail. Ongoing direct mail initiatives constitute an important sales technique to further penetrate the consumer market. During 2013, by concentrating on magazine circulation research and mailing list data, we are better able to quickly pinpoint buyers, fine tune our message for specific demographic segments, and maximize sales through advertising and direct mail. Also, our third party order entry providers provide timely response and turnaround of prospect queries and orders, and give the Company the flexibility to further increase sales.

5. Internet Sales and Promotions. Much of the work accomplished for direct mail and information distribution is being directly applied to improvements in the Company's own Web Site. These improvements make the products, Company, and technical information more understandable, cost effective and accessible to potential customers. It also enables a more timely distribution of product information updates and increases sales of our products. We are integrating social networking (i.e. Twitter, Facebook, etc.) into our marketing strategy. We are enjoying incremental increases in product sales generated from our website. See www.savicorp.com.

C. Status of any publicly announced new product or service;

New Product – DynoValve Pro Lite® (CNG Fuel Applications)

The DynoValve Pro "Lite" is now being manufactured in limited numbers. This unit is very similar to the standard DynoValve Pro, with the exception of the oil separator, making it a much smaller unit. The oil separator unit was deleted from this design because natural gas is much cleaner than diesel fuel. We are able to convert these, and we have some testing scheduled for the fleet of buses and other vehicles currently being operated by the Fullerton, CA School District. The Fullerton power co-generation plant and school buses run on CNG (Compressed Natural Gas). During 2013 we began testing these units on a variety of cars and trucks. Most trucks and buses in California are now being converted to CNG. Hopefully, we will be able to hit that market and be able to offer the DynoValve Pro Lite CNG version. We also have a very large food supplier that is willing to lend some of their vehicles for testing.

New Product - DynoCap®

Many vehicles manufactured for use in Middle Eastern countries are not compatible with the DynoValve. In order to resolve this compatibility issue, we've created a new product called the "DynoCap." The DynoCap is an oil cap that has a fitting which fits directly on top of the oil cap, allowing the DynoValve to sit either horizontally or vertically next to the valve cover, thus making it adaptable to virtually any gas driven engine that has a place to add oil. This unit is not limited to use in automobiles. Virtually all 2-wheel and 3-wheel vehicles can be retrofitted with a DynoCap unit, which serves to substantially increase potential markets for the product.

The DynoCap® market potential looks promising because (a) it reduces installation time, (b) it is compatible to 2-stroke engines, (c) motorcycles, (d) small motorized bikes, and (e) small displacement diesel engines. It will be less expensive to market and test because it operates without separating or cleaning the lubricating oil. We are developing a version of the DynoCap for use in smaller versions to fit 2-stroke vehicles.

The new cap is now being tested at our corporate headquarters in Santa Ana, CA. We have vehicles fitted with the DynoCap travelling all over California to ensure performance is as effective as our standard DynoValve. We have provided a few DynoCaps to our partners in Dubai to demonstrate how the compatibility issue has been resolved. We also provided samples for testing with the device in each of the ten countries included in their marketing and distribution territories. A provisionary patent and trademarks for the name have been filed with the US Trade and Patent Office. We are preparing a PCT which will be filed to obtain patent protection for all the countries around the world who participate in the United Nations Patent Treaty Agreements.

Additional New Products Under Development

- DynoValve Pro Lite
- DynoDash®
- Hydrogen On-demand
- DynoPlug®
- Others

D. Competitive business conditions, the issuer's competitive position in the industry, and methods of competition;

Competitive Products

Numerous competing products are currently offered under various brand names. There are many fuel-saving devices currently under development by entrepreneurs and assorted technology companies whose projects are described via the World Wide Web and the Internet. In this economic environment, most consumers are looking for products that will reduce their overall fuel and vehicle operating costs while allowing them to stay within their current household budgets. Taken as a whole, however, the inventory of competitive offerings has proven to be something less than effective when retrofitted to existing rolling stock.

The industry is marked by competition in two industry segments: emission reduction and fuel efficiency. The DynoValve family of products is designed to compete within both segments. We face competition from numerous foreign and domestic companies of various sizes, most of which are larger and have greater capital resources than are currently available to SaviCorp. Competition in these areas is further complicated by possible shifts in market share due to emerging technological innovations, changes in product emphasis and applications, and new entrants with greater capabilities or better prospects.

Passive crankcase ventilation systems are mandated as part of every vehicle's emission-control system in the US. The Environmental Protection Agency is responsible for setting emissions standards that all vehicles must meet. These emissions standards must be met by all new vehicles produced and sold in the US. All manufacturers of automobiles and light duty trucks are constantly engaged in the process of developing technologies designed to lower emissions and augment fuel efficiency.

Competing Products

Additionally, the Company competes against other companies that develop after-market products touted to lower emissions and/or increase fuel efficiency. Some of these competitors' products include (a) Racor's CCV, (b) Majestic SAFE-T-PRODUCTS Refilter™, (c) Save the World Air, (d) Inc's Mark I ZEFS device, and (e) Indigo Electronics CVS for boats. We are aware of no products that compete directly with the DynoValve. The marketplace is replete with products that compete in the realm of fuel saving products, fuel additives, and cigarette lighter plug-in devices. Examples of some of our competitors' products include:

1. ***Racor Crankcase Ventilation Device***: list price: $368.00, manufactured by Parker Hannifin Corporation, Racor Division, Cleveland, Ohio 44124. Racor's marketing literature claims that '…Racor CCV systems offer superior protection against contaminated crankcase blow-by and provide engine operators a highly effective solution.' Racor provides no publicly verifiable independently tested performance results that compare with the DynoValve. During our own in-house tests of the Racor products, the patented DynoValve system demonstrates superior oil coalescence and crankcase pressure control under the most severe conditions.

2. ***Refilters™ Device***: Majestic Companies, Ltd. is incorporated in Maryland. No data on the device exists online. According to EDGAR online, Refilters™ could be retrofitted to existing heavy-duty diesel engines. http://sec.edgar-online.com/majestic-safe-t-products-ltd/sb-2-securities-registration-small-business/2002/11 /12/section21.aspx

3. ***Mark I ZEFS Device***: Save the World Air, Inc. Price: unknown. According to its manufacturer, the ZEFS devices create magnetic fields to reduce the size of the fuel molecules passing from the carburetor or center point fuel injector of the vehicle to the inlet manifold prior to combustion. They claim that this creates an atomization process that enhances the efficiency of combustion, which reduces harmful toxic emissions and increases fuel economy. ZEFS device has been granted a patent [see United States Patent Application No. 10/275946]. Save the World Air Inc. makes a Zero Emission Fuel Saver (ZEFS) technology that is intended to reduce tailpipe pollutants and increase fuel efficiency in gasoline and diesel-powered vehicles. No independently validated test results are available to confirm their claims.

   RAND Corporation has conducted independent tests but cannot confirm the benefits of ZEFS. "RAND's analysis of laboratory testing data provided by Save the World Air that deals with the performance of the ZEFS device installed in vehicles found at best mixed results from the tests and therefore could not confirm the effectiveness of the technology in actual use," said Michael Toman, director of the Environment Energy and Economic Development program at RAND, which carried out the study.

4. ***Atomic 4 AT-4CVS*** Crankcase Ventilation system device: Complete Retrofit Kit is $240.00 to $265.00 (Indigo Electronics, Williamsburg, VA 23185). The product (according to Indigo Electronics) completely eliminates Crankcase ‘smoke’. The product claims to eliminate fouling of carburetor air passages and improve overall performance. No independent test data or results have been published.

New Market Opportunities

It is estimated there were 248 million vehicles on the road in the US alone at the end of 2010. The average age of these vehicles is estimated by the National Automobile Dealers Association to be ten and a half years. Since the introduction of the Industrial Age, the United States has been the biggest producer of CO2 emissions on the planet. The US produced 22% of the World’s greenhouse gas emissions in 1995. Current estimates predict this will rise to more than 15% by 2035, topped at that point by China’s 17% and Eastern Europe/former Soviet Unions’ 19%.

The Company believes the scope of business opportunities within the State of California alone is significant. California has 36 first, second and third-tier cities with over 100,000 residents. This does not include 217 fourth-tier cities with 25,000 to 100,000 residents. Each of these cities operates numerous municipal, corporate and small business fleets of vehicles that are potential customers for SaviCorp’s products and services. SaviCorp management believes that this is a viable market for devices designed to mitigate the effects of blow-by gases using crankcase ventilation system and emission reduction products.

Although SaviCorp believes that we have no direct competition in the marketplace, retail pricing since 2008 has been largely driven by the average consumer’s disposable income. In order for the DynoValve® to achieve primacy in the industry, SaviCorp has been compelled to price its products to reflect the value brought to end-users. As the market expands, future products should be priced more aggressively to increase market penetration and achieve a position of planned-for market dominance. SaviCorp’s goal of establishing sales and marketing partnerships and/or alliances will supplement market penetration.

Used Car Retail Sales

Car dealerships selling used and new vehicles are prime candidates constituting a viable but as yet untapped market for SaviCorp’s products. Used cars are normally identified as certified pre-owned vehicles, age ranging from one to 5 years old. A common car dealership sales tactic is to offer aftermarket products to buyers during the loan application process. In recent years, the sale of used cars has become a major source of profits for car dealerships in the wake of shrinking margins on new cars. To make them acceptable to more customers, most dealerships promote certified pre-owned vehicles to customers who want a warranty on their used car. This often raises the price, but in return provides customers with peace of mind. In the current economic environment, the relative demand for used cars has increased as sales of new cars have declined. Due to the fact that the product has the potential to lower operating costs as well as extend the useful life of a vehicle—a proposition that is very appealing to consumers—the DynoValve marketing campaign is being targeted to include the used car retail market.

Fleet Sales

As the year 2014 progressed, our customer base expanded. A major key to our longer-term success is our ability to arrange for sales and installations with customers operating large numbers of vehicles, commonly referred to as "fleets." For our purposes, fleets can vary in size from 25 to 15,000 vehicles. Fleets can be located in specific geographical areas, such as within a city, within a county or two, as part of a state, within a state or across multiple states in a region of the US, or nationwide. For now, the Company is focused on fleets within the US. There are few product sales in Canada. To pave the way for future market expansion related to fleet sales, the Company has arranged to license patents pending in many "industrial" countries, including Mexico and Canada.

Typically, in the early stage, our relationship with a fleet size customer involves "proving" our technology on a test basis with a few vehicles operating as part of the customer's fleet. We guarantee a 10% improvement in fuel efficiency. Once a customer has experienced "real time" results out in the field, our products gain acceptance and the rate of sales and installations take off at a faster pace. In almost all cases to date, we have exceeded the 10% guarantee. Generally, the longer vehicles are driven with our product in place, the more performance improves with the passage of time. Our results to date have varied from an 8% to 100% improvement. Currently, we have no fleets with less than a 15% rate of improvement. Fleets with Ford F-150s (4.6 liter engines) and Chevy light trucks (4.7 liters) are getting between 30% and 49% fuel savings.

State of California Fleet Vehicles

We believe our business opportunities within the State of California alone are enormous. The state has 36 cities with over 100,000 residents and 217 cities with 25,000 to 100,000 residents. Each of these cities operates numerous municipal, corporate and small business fleets of vehicles that are potential customers for SaviCorp. SaviCorp management believes that this is a viable market for blow-by gases related crankcase ventilation system and emission reduction products.

Pilot Tests

Typically, in the early stage, our relationship with a fleet size customer involves "proving" our technology on a test basis with a few vehicles operating as part of the customer's fleet. We guarantee a 10% improvement in fuel efficiency. Once a customer has experienced "real time" results out in the field, our products gain acceptance and the rate of sales and installations takes off at a faster pace. In almost all cases to date, we have exceeded the 10% guarantee. Generally, the longer vehicles are driven with our product in place, the more performance improves with the passage of time. Our results to date have varied from an 8% to 100% improvement. Currently, we have no fleets with less than a 15% rate of improvement. Fleets with Ford F-150s (4.6 litre engines) and Chevy light trucks (4.7 liter) are getting between 30% and 49% fuel savings.

Dubai - Licensed Product Marketing

In 2014, we made major inroads in the Middle Eastern country of Dubai and others. The Company executed a 5-year licensing agreement with Dubai-based Dyno Green Technologies [DGT] in Q-2. The original licensing commitment provided for the purchase and sale of 2,000 DynoValves (sold at $250 each), which equates to an initial order of $500,000. In order for DGT to fulfill and maintain this 5-year licensing agreement, they are obliged to purchase 500 additional DynoValves per quarter (an additional 2,000 DynoValves / $500,000 per year) for a total of $2,500,000 over a 5-year span. With the initial investment of $500,000, this totals a $3,000,000 commitment for their 5-year licensing agreement. The first order of 2,000 DynoValves has been delivered. The Exclusive Marketing and License Agreement includes 10 sub-classes of territories which include UAE, Dubai, Malaysia, India, and Africa.

Seeking a Mandate In Dubai

The Company sent a team of technical specialists to Dubai to convince the Dubai Department of Standardization to mandate the DynoValve on all government-owned vehicles and eventually to the general population ("the mandate"). When any country attempts to mandate a new individual product, numerous political and cultural issues have to be dealt with. Understandably, there should not be certain vehicle exclusions for this particular mandate, therefore the DynoValve needs to be installable on all makes and models.

The wiring harness originally created for use in the USA met compliance regulations according to American standards. However, the Department of Standardization and the UAE affiliates did not approve of the exposed colored wires supplied with the product. As a result, we modified the wiring harness and completely molded all the connectors, improving the units appearance. This new architecture for the wiring harness was delivered to Dubai for their approval. The group loved it and guaranteed that Savvy Green (our marketing and distribution associate company in Dubai) would be given confirmation and status on the mandate (Preferred Vendor Status).

DynoGreen Tech, LLC ("DGT") as well as Savvy Green have requested an exclusive distribution agreement to supply DynoValve products to all of Africa, Russia, and Europe. We believe it is too premature to make a commitment at this time without seeing their success with the existing countries they are currently licensed for. Although they've been extremely successful in a short period of time, we are hopeful and looking forward to revisiting this again during 2014. Nevertheless, if SaviCorp is awarded the UAE mandate, we could increase sales by possibly 50,000 units every 90 days or less.

LA County Fire Department

On October 2010, a 24-month field test was concluded with the Los Angeles County Fire Department (LACoFD). LACoFD retrofitted 10 gasoline-powered vehicles with the "DynoValve®." During the test, three vehicles were removed from service for various reasons unrelated to the beta field test. The remaining seven vehicles, after installation and adjustments to fine-tune and optimize the DynoValve® to each particular vehicle, successfully completed field-testing without any adverse impact on vehicle performance and/or maintainability. Overall, the vehicles achieved a significant reduction in emissions during the 24 months of testing.

The test vehicles exhibited substantial reductions in the following pollutants: hydrocarbons (HC), carbon monoxide (CO), and oxides of nitrogen (NOx). The LACoFD has expressed interest in testing the DynoValve Pro®, a product that is intended for use on diesel engines, as soon as the company is ready to release the product for testing and evaluation. The opportunity with the Los Angeles County Fire Department (LACoFD) is potentially very large; the agency has 190 stations with 22 battalions covering 2,200 square miles and 58 cities.

McCarthy Construction Company

On December 9, 2010, SaviCorp announced that McCarthy Construction Company (St Louis, MO) had completed six weeks of testing on five randomly chosen vehicles from within its fleet. The results for each vehicle were significant emissions reduction, improved engine performance, and reduced fuel consumption. Following these initial results, McCarthy Construction Company decided to test an additional five vehicles at another facility. These additional tests went well, and we proceeded with the installation of our DynoValve® on some 250 vehicles that service its Newport Beach, California facility. McCarthy Construction Company believes that the device has the potential to extend the useful life of its vehicles by one or two years while also reducing the company's fuel costs. McCarthy Construction Company employs 2,000 people and operates in all 50 states. McCarthy is headquartered in St. Louis, Missouri with regional offices in Phoenix, Arizona; Las Vegas, Nevada; Seattle, Washington; Portland, Oregon; Dallas, Texas; Sacramento, San Francisco and Newport Beach, California. The 136-year-old company is involved in large projects, having constructed airports, bridges, highways, hospitals, office buildings, retail/industrial centers, universities and research centers throughout the US. Here's a link to a press release about McCarthy: (http://www.savicorp.com/news/23-mccarthy-construction-leaving-green-footprints-with-savicorps-dynovalve.aspx).

North Carolina Police Department

North Carolina's Stallings Police Dept's 25 Ford Crown Victoria (2011) fleet experienced a MPG Increase of 31.58% after the installation of DynoValve. This is the type of success we hope to translate into contracts with larger public service entities nationwide.

Berg Electric

Berg Electric is another ongoing Company success story - "As a large consumer of gasoline [it's] our hope this small step, coupled with a number of other ongoing green initiatives will, not only help reduce our operating costs, but ultimately help reduce our carbon footprint; our consumption of fossil fuels; and improve our position as a good corporate citizen in America," stated Robert Moreno, a Berg Electric spokesperson. "The product does a good job at increasing efficiency in existing technology, with little impact and minimal up-front costs, so we see it as a cost-effective option," Moreno continued. "It's important to us to find green solutions and products because, we recognize our responsibility as a corporate citizen and the positive impact we can have on the communities in which we do business." http://www.savicorp.com/news/52-savicorp-awarded-bergelectric-fleet-contract.aspx. You can read the press releases on our web

Market Options Under Active Investigation and Development

1. Western Regional Ford Dealerships
2. Eastern Region GM Dealerships
3. Consolidated Edison Fleet Testing
4. United States Postal Service Tests
5. LAPD Ford Interceptor Tests
6. City of Los Angeles Fleet Tests
7. City of Fontana Police Vehicle Roundup

E. Sources and availability of raw materials and the names of principal suppliers;

Not applicable.

F. Dependence on one or a few major customers;

Not Applicable.

G. Patents, trademarks, licenses, franchises, concessions, royalty agreements or labor contracts, including their duration;

DynoValve® is a registered trademark of SaviCorp. During FY-2014 the Company collaborated with Serge Monros to prepare and file 34 Trademark Applications. Under the terms of the EMDA between the Company and HDV, the Company is responsible for prosecuting and paying the expenses related to obtaining the trademarks. In exchange, the Company is allowed to use the Trademarks in its marketing, sales, promotional and internet-based marketing activities. If the EMDA fails for any reason, all the Trademarks revert to the ownership and control of Mr. Monros and HDV.

The DynoValve products are the subject of several pending U.S. patent applications (US-2010/0076664-A1 and US-2010/0180872-A1) held by Serge V. Monros, Chief Executive Officer and Chairman of the Board of the Company. Corresponding applications have been filed in a number of foreign countries. HDV, an affiliate of Mr. Monros, manufactures the "DynoValve" and "DynoValve Pro" products based on these patent applications and sells them to the Company for resale pursuant to the Product Licensing Agreement dated December 15, 2008, as amended on December 16, 2009, as further amended on March 1, 2013. Under the Product Licensing Agreement, the price at which HDV sells the products to the Company is subject to change at any time upon written notice. The Company may determine the prices that it charges to its customers. The Product Licensing Agreement is non-exclusive and automatically renews on an annual basis provided certain sales volumes are achieved and the

Company is otherwise not in breach. HDV may, after an applicable cure period, terminate the Product Licensing Agreement earlier if it believes that the Company is deficient in meeting its responsibilities. HDV may amend the Product License Agreement at any time by giving notice to the Company, unless the Company objects within ten days of such notice.

As consideration for HDV entering into the Product License Agreement, the Company agreed to issue to Mr. Monros and HDV, if and when available, an aggregate of 500 Million shares of Common Stock, 5 Million shares of Series A Preferred Stock and 5 Million shares of Series C Preferred Stock.

Mr. Monros is continuing in the process of preparing patent applications for the other versions of the DynoValve products & related IP. In June, 2013, the Company entered into a five (5) year Master Distribution Agreement with His Divine Vehicle to sell the DynoValve and DynoValve Pro in various internationally territories. The consideration for the agreement was a guaranteeing a minimum annual volume, payment for the DynoValves acquired and a three percent (3%) royalty payment. The Company has entered into an agreement with DynoGreen Tech, LLC ("DGT") to sell the DynoValve products in the licensed territories including UAE, Saudi Arabia, Egypt, and India. In March, 2015, the Company entered into an exclusive licensing and distribution agreement for North America with DynoValve Mfg, LLC, an affiliate of Mr. Monros. . The consideration for the agreement was payment for the DynoValves acquired and a three percent (3%) royalty payment.

H. The need for any government approval of principal products or services and the status of any requested government approvals.

We believe that we are in compliance with all applicable regulations that apply to our business as it is presently conducted. Our individual manufactured products, as such, are not subject to certification or approval by the U.S. Environmental Protection Agency or other governmental agencies domestically or internationally before they are sold. However, such agencies may test and certify a sample engine fitted with our devices before we are allowed to engage in certain activities, like selling or marketing our products. For example, on September 10, 2010, the Air Resources Board of the California Environmental Protection Agency issued Executive Order D-677, permitting the advertisement, sales and installation of the DynoValve on certain gas-powered vehicles based on emissions test data generated on two vehicles. We intend to seek a similar order for DynoValve (Pro). Our sales and marketing activities may be limited until we receive the necessary authorizations from the applicable environmental regulations.

Depending upon whether we manufacture or license our devices in the future and in which countries such devices are manufactured or sold, we may be subject to regulations, including environmental regulations at such time. However, we are not aware of any existing or probable governmental regulations that may have a material effect on the normal operations of our business. There also are no relevant environmental laws that require compliance by us that we have not complied with that may have a material effect on the normal operations of the business.

Item X The nature and extent of the issuer's properties and facilities.

Corporate Headquarters

We do not own any real property. We currently lease our 40,000 square foot corporate headquarters located at 2530 South Birch Street, Santa Ana, CA 92707. The lease is for a one-year period with an annual lease payment of $110,000 and an annual extension option. We believe that these properties are adequate for our current and immediately foreseeable operating needs.

PART D MANAGEMENT STRUCTURE AND FINANCIAL INFORMATION

Item XI The name of the chief executive officer, members of the board of directors, as well as control persons.

A. Officers and Directors.

1. Full name;

The directors and executive officers of SaviCorp, as of December 31, 2014 include the following persons.

Name	Age	Position
Serge Monros	64	Chief Executive Officer and Chairman
Rudy Rodriguez	63	Secretary, Treasurer and Director
Philip Pisanelli	67	Director

Business address;

The business address of each of the foregoing individuals is the principal offices of the Company.

2. Employment history;

Serge Monros, Chief Executive Officer and Chairman of the Board of Directors

Prior to joining SaviCorp in August 2004, Mr. Monros held positions including Chief Technology Officer for Integrated Micro Systems Company headquartered in Vista, CA, where he directed all phases of research & development projects from prototype design to final production.

Mr. Monros' tenure includes his role as a Senior Systems Analyst for Rockwell International's Space Transportation Services (STS) Division located in Downey, CA. As a Senior Systems Analyst, he designed and manufactured special tooling for the Space Shuttle program, produced mechanical designs/drawings, communicated project scope/details to production teams, supervised all CNC programmers, processed change orders/revisions, and resolved various production engineering problems.

Mr. Monros has expertise in the development of technical strategies and solutions, engineering design, CAD/CAM, CNC and computer programming, database management, troubleshooting/repair, network management, and technical support. Mr. Monros has also taught career training courses in Computer Aided Design & Computer Aided Manufacturing (CAD/CAM).

Mr. Monros has over 30 years of experience and continued success as an Engineer, Computer Systems Analyst, and Project Manager. Mr. Monros holds various patents that are currently registered, filed, or pending with worldwide market potential.

Mr. Monros has a diverse educational background with an emphasis in Electronics, Computer Science, Programming and Robotics from the following colleges: Golden West College, Huntington Beach, CA and Southern California Regional College, Torrance, CA.

Rudy Rodriguez, Secretary, Treasurer and Director

Prior to joining SaviCorp in August 2004, Mr. Rodriguez held positions at American Range located in Pacoima, CA as the Supply Chain, Director.

Mr. Rodriguez directed and oversaw the entire supply chain function, and developed policies and high level objectives related to the manufacturing of commercial and residential appliances. His responsibilities included the timely fulfillment of finished goods, services and asset management. Mr. Rodriguez led, directed and educated the operations staff in a variety of supply chain concepts, practices, and procedures and applied extensive experience and judgment to plan and accomplish goals.

Mr. Rodriguez's prior management position was working for Wilbur Curtis Company located in Los Angeles, CA, where he was responsible for the procurement of goods and services from suppliers for the manufacturing of commercial tea, coffee and espresso brewing equipment. He organized coordination with vendors including procurement actions, engineering, manufacturing and other considerations and assisted in intra-departmental coordination to achieve corporate goals and departmental goals.

Philip Pisanelli, Director

Prior to joining SaviCorp in August 2004, Mr. Pisanelli obtained extensive training from Rockwell International and the Boeing Company in the areas of: Calibration, Metrology, Shop Trig, Ethics, Employee Involvement leadership and General Management. He is certified in many high tech fields and areas of Quality Control and Calibration. In the last 23 years Mr. Pisanelli held positions including Senior Machinist and Senior Metrologist for the Boeing Company while working closely with NASA and United Space Agency on the NASA Space Shuttle.

Mr. Pisanelli has worked in many other related companies to coordinate work efforts and projects that are of a classified nature in the fields of aerospace and future technologies.

Mr. Pisanelli studied Trigonometry and Philosophy at Akron University.

3. Board memberships and other affiliations.

None; except Mr. Monros' positions with HDV.

4. Compensation by the issuer;

Set forth below is information concerning the compensation paid for services in all capacities to our President and Executive Officers for the years ended December 31, 2014 and 2013.

		Annual Compensation			Long-Term Compensation		
Name and Position	**Year**	**Salary (1)**	**Bonus**	**Other Annual Compensation**	**Restricted Stock Awards ($)**	**Common Shares Underlying Options Granted (# Shares)**	**All Other Compen -sation**
Serge Monros *Chairman and Chief*	2014	$240,000	-0-	-0-	-0-	------	-0-
Executive Officer	2013	$216,000	-0-	-0-	-0-	------	-0-
Rudy Rodriguez *Secretary, Treasurer*	2014	$24,000	-0-	-0-	-0-	------	-0-
And Director	2013	$24,000	-0-	-0-	-0-	------	-0-
Philip Pisanelli *Director(2)*	2014	$18,000	-0-	-0-	-0-	------	-0-
	2013	$18,000	-0-	-0-	-0-	------	-0-

(1) Mr. Rodriguez and Mr. Pisanelli have not received any cash payments with respect to their salaries as set forth above, and all such payments have been accrued. Mr. Monros has received $19,300 in 2013 and $51,954 in 2014, and all such other payments have been accrued.

5. Number and class of the issuer's securities beneficially owned by each such person.

See Item XIV below.

B. Legal/Disciplinary History.

1. None of the above named officers or directors has been convicted in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

2. None of the above named officers or directors has had an 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;

3. None of the above named officers or directors has had a finding or judgment by a court of competent jurisdiction (in a civil action), the SEC, 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

4. None of the above named officers or directors has had an 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.

C. Disclosure of Family Relationships.

None.

D. Disclosure of Related Party Transactions.

The Company currently licenses the sales rights to its DynoValve products pursuant to a Product Licensing Agreement with Serge Monros, the Company's Chief Executive Officer's wholly owned company DynoValve Mfg, LLC, as described in greater detail under Item IX (G).

As disclosed above, on December 15, 2009, the Company issued HDV a convertible promissory note in the principal amount of $204,302 due and payable in March 15, 2010. The convertible promissory note bears interest at a rate of 8% per annum, and is convertible at the lesser of $.001 or the price that any securities are issued by the Company. Serge Monros, the Company's CEO, is the sole officer, director and shareholder of HDV.

E. Disclosure of Conflicts of Interest.

A conflict of interest may exist with respect to the fact that while ownership of the patent rights upon which the DynoValve products are predicated are held by Mr. Monros and his affiliates, he also owns and/or controls His Divine Vehicle and DynoValve Mfg, LLC, the entities which manufactures the products, as described in detail under IX (G); and, furthermore, enjoys a high level of control over the policies, protocols, practices, priorities and procedures of SaviCorp. As a result, the Company's management has and will continue to exert substantial control over the Company's day-to-day operations, contracts, and business decisions.

Item XII Financial information for the issuer's most recent fiscal period.

SaviCorp

Financial Statements

(Unaudited)

Years Ending December 31, 2014 and December 31, 2013

Financial Statements:

Balance Sheets as of December 31, 2014 and December 31, 2013

Statements of Operations for the years ended December 31, 2014 and December 31, 2013

Statements of Shareholders' Equity (Deficit) for the years ended December 31, 2013 and December 31, 2014

Statements of Cash Flows for the years ended December 31, 2014 and December 31, 2013

Notes to Financial Statements

SaviCorp
BALANCE SHEETS
December 31, 2013 and 2014

	December 31, 2014	December 31, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	$ 32,373	$ 60,612
Accounts Receivable	36,341	43,090
Inventory	246,948	48,680
Prepaid expenses	27,833	18,333
Related party receivable	6,273	13,386
Total current assets:	349,768	184,101
Long term assets:		
Net fixed assets	21,194	22,233
Total assets	$ 370,962	$ 206,334
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Convertible debt, net of unamortized discount of $0 and $0, in default	$ 511,440	$ 511,440
Related party convertible debt, net of unamortized discount of $0 and $0, in default	$ 204,302	204,302
Notes payable, in default	10,778	10,778
Notes payable, related party, in default	15,000	15,000
Accounts payable and accrued liabilities	2,979,449	2,420,595
Notes Payable, net of unamortized discount of $2,460 and $0	89,136	-
Accounts payable assumed in recapitalization	159,295	159,295
Settlements payable	1,224,992	869,731
Rescission Liability	469,404	841,094
Derivative liabilities - embedded derivatives	8,788,254	1,382,612
Derivative liabilities - warrants	461,843	3,848,923
Total current liabilities	14,913,893	10,263,770
Long term liabilities:		
Convertible debt, net of unamortized discount of $0 and $0	-	32,600
Total liabilities	14,913,893	10,296,370
Commitments and contingencies	-	-
Stockholders' deficit:		
Series A convertible preferred stock; $0.001 par value, 28,000,000 shares authorized, 27,880,143 and 12,963,477 issued and outstanding at December 31, 2014 and 2013, respectively	27,880	12,963
Series B convertible preferred stock; $0.001 par value, 1,000,000 shares authorized, 274,602 and none issued and outstanding at December 31, 2014 and 2013, respectively	275	-
Series C convertible preferred stock; $0.001 par value, 10,000,000 shares authorized, 8,455,697 and 8,755,697 issued and outstanding at December 31, 2014 and 2013, respectively	8,456	8,756
Common stock: $0.001 par value, 6,000,000,000 shares authorized, 5,982,260,962 and 5,970,327,673 shares issued and outstanding at December 31, 2014 and 2013, respectively	5,982,261	5,970,328
Stock payable	1,420,384	1,420,384
Additional paid-in capital	277,156,351	272,272,303
Accumulated deficit	(299,138,538)	(289,774,770)
Total stockholders' deficit	(14,542,931)	(10,090,036)
Total liabilities and stockholders' deficit	$ 370,962	$ 206,334

SaviCorp
STATEMENTS OF OPERATIONS
For the Years Ended December 31, 2014 and 2013

	December 31, 2014	December 31, 2013
Revenue	$ 26,164	$ 797,725
Cost of Goods Sold	25,368	478,683
Gross Profit	796	319,042
Operating costs and expenses:		
General and administrative expenses	$ 5,035,613	$ 3,711,454
Loss from operations	$ (5,034,817)	$ (3,392,412)
Other income and (expenses):		
Gain/(loss) on debt settlement	-	104,669
Change in fair value of financial instruments	(4,184,433)	(3,950,096)
Change in fair value of rescission liability	16,429	2,052,971
Interest expense	(160,947)	(86,332)
Total other income and (expenses), net	(4,328,951)	(1,878,788)
Net profit (loss)	$ (9,363,768)	$ (5,271,200)
Weighted average shares outstanding	5,948,153,156	5,733,919,110
Weighted average shares outstanding-diluted	5,948,153,156	5,733,919,110
Net profit (loss) per common share - basic	$ (0.00)	$ (0.00)
Net profit (loss) per common share - diluted	$ (0.00)	$ (0.00)

SaviCorp
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
For the Years Ended December 31, 2013 and 2014

	Preferred Stock A Shares	Preferred Stock A Amount	Preferred Stock B Shares	Preferred Stock B Amount	Preferred Stock C Shares	Preferred Stock C Amount	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Stock Payable	Accumulated Deficit	Total
Balance at December 31, 2012	5,953,233	$ 5,953	-	$ -	4,409,609	$ 4,409	4,756,016,619	$ 4,756,017	270,086,376	$ 1,406,768	(284,503,570)	$ (8,244,047)
Common stock issued in exchange for consulting services and employee compensation	1,351,667	1,352	-	-	60,000	60	749,900,000	749,900	1,189,705	-	-	1,941,017
Common and preferred stock issued for cash under Regulation D offering	9,450,000	9,450	-	-	4,488,500	4,489	567,652,694	567,653	786,858	-	-	1,368,450
Conversion of Preferred A to common	(300,000)	(300)	-	-	-	-	30,000,000	30,000	(29,700)	-	-	-
Conversion of debt for common	-	-	-	-	-	-	50,000,000	50,000	131,708	-	-	181,708
Imputed interest on related party debt	-	-	-	-	-	-	-	-	13,667	-	-	13,667
Stock bought back from investors	-	-	-	-	-	-	(3,500,000)	(3,500)	(10,500)	-	-	(14,000)
Net stock received in settlement agreements	-	-	-	-	-	-	(12,156,250)	(12,156)	(53,475)	-	-	(65,631)
Common stock repaid by Company	-	-	-	-	-	-	78,414,606	78,414	773,354	(851,768)	-	-
Common and preferred stock loaned to Company	(3,491,423)	(3,491)	-	-	(202,412)	(202)	(246,000,000)	(246,000)	(615,690)	865,384	-	-
Net income	-	-	-	-	-	-	-	-	-	-	(5,271,200)	(5,271,200)
Balance at December 31, 2013	12,963,477	$ 12,963	-	$ -	8,755,697	$ 8,756	5,970,327,669	$ 5,970,328	272,272,303	$ 1,420,384	(289,774,770)	$ (10,090,036)
Common stock issued in exchange for consulting services and employee compensation	1,700,000	1,700	94,950	95	-	-	500,000	500	3,415,250	-	-	3,417,545
Common and preferred stock issued for cash under Regulation D offering	12,301,666	12,302	159,846	160	-	-	-	-	1,257,198	-	-	1,269,660
Conversion of Preferred C to common	-	-	-	-	(300,000)	(300)	30,000,000	30,000	(29,700)	-	-	-
Conversion of debt for Preferred B	-	-	19,806	20	-	-	-	-	80,324	-	-	80,344
Imputed interest on related party debt	-	-	-	-	-	-	-	-	4,774	-	-	4,774
Preferred A stock issued with debt as OID	215,000	215	-	-	-	-	-	-	60,135	-	-	60,350
Stock issued on Exercise of warrants	-	-	-	-	-	-	71,433,289	71,433	23,766	-	-	95,199
Conversion of common to Preferred A	700,000	700	-	-	-	-	(70,000,000)	(70,000)	69,300	-	-	-
Stock bought back from investors	-	-	-	-	-	-	(20,000,000)	(20,000)	3,000	-	-	(17,000)
Net income	-	-	-	-	-	-	-	-	-	-	(9,363,768)	(9,363,768)
Balance at December 31, 2014	27,880,143	$ 27,880	274,602	$ 275	8,455,697	$ 8,456	5,982,260,958	$ 5,982,261	277,156,351	$ 1,420,384	(299,138,538)	$ (14,542,931)

SaviCorp
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2014 and 2013

	December 31, 2013	December 31, 2013
Cash flows from operating activities:		
Net profit	(9,363,768)	(5,271,200)
Adjustments to reconcile net income to net cash used by operating activities:		
Compensatory common, preferred stock and warrant issuances	3,417,545	1,941,017
Interest imputed on non-interest bearing note from a stockholder	4,774	13,667
Interest expense recognized on issuance and through accretion of discount on debt	-	7,810
Change in fair value of derivatives	4,184,433	3,950,096
Change in fair value of rescission liability	(16,429)	(2,052,971.00)
(Gain)Loss on extinguishment of debt	-	(104,669)
(Gain)Loss on legal settlement		
Depreciation expense	9,032	6,359
Changes in operating assets and liabilities:		
Changes in accounts receivable	6,749	(42,829)
Changes in related party receivable	7,113	(13,386)
Changes in inventory	(198,268)	51,467
Changes in pre-paid assets	(9,500)	58,089
Changes in related party accounts payable	-	(244,945)
Changes in accounts payable and accrued liabilities	718,149	475,709
Net cash used by operating activities	(1,240,170)	(1,225,786)
Cash flows from investing activities:		
Acquisition of equipment	(7,993)	(13,807)
Net cash used in investing activities	(7,993)	(13,807)
Cash flows from financing activities:		
Net Payments on note payable	(32,736)	(65,084)
Stock purchases	(17,000)	(14,000.00)
Proceeds from sale of common stock	1,269,660	1,368,450
Net cash provided by financing activities	1,219,924	1,289,366
Net increase (decrease) in cash and cash equivalents	(28,239)	49,773
Cash and cash equivalents at beginning of year	60,612	10,839
Cash and cash equivalents at end of year	32,373	60,612

SaviCorp
Notes to Financial Statements

1. **Organization and Significant Accounting Policies**

SaviCorp (the "Company") is a Nevada Corporation that has acquired rights to "blow-by gas and crankcase engine emission reduction technology" which it intends to develop and market on a commercial basis. The technology is a relatively simple gasoline and diesel engine emission reduction device that the Company intends to sell to its customers for effective and efficient emission reduction and engine efficiency for implementation in both new and presently operating automobiles. The Company is considered a development stage enterprise because it currently has no significant operations, has not yet generated revenue from new business activities and is devoting substantially all of its efforts to business planning and the search for sources of capital to fund its efforts.

The Company was originally incorporated as Energy Resource Management, Inc. on August 13, 2002 and subsequently adopted name changes to Redwood Energy Group, Inc. and Savi Media Group, Inc., upon completion of a recapitalization on August 26, 2002. The re-capitalization occurred when the Company acquired the non-operating public shell of Gene-Cell, Inc. Gene-Cell Inc. had no significant assets or operations at the date of acquisition and the Company assumed all liabilities that remained from its prior discontinued operation as a biopharmaceutical research company. The historical financial statements presented herein are those of Savi Media Group, Inc. and its predecessors, Redwood Energy Group, Inc. and Energy Resource Management, Inc.

The non-operating public shell used to recapitalize the Company was originally incorporated as Becniel and subsequently adopted name changes to Tzaar Corporation, Gene-Cell, Inc., Redwood Energy Group, Inc., Redwood Entertainment Group, Inc., Savi Media Group, Inc., and finally its current name SaviCorp.

Significant 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 dates of the financial statements and the reported amounts of revenues and expenses during the periods. Actual results could differ from estimates making it reasonably possible that a change in the estimates could occur in the near term.

Cash and Cash Equivalents

The Company considers all highly liquid short-term investments with an original maturity of three months or less when purchased, to be cash equivalents. The Company had cash equivalents of $60,612 as of December 31, 2013 and $32,373 as of December 31, 2014.

Concentration of Credit Risk

Cash and cash equivalents are the primary financial instruments that subject the Company to concentrations of credit risk. The Company maintains its cash deposits with major financial institutions selected based upon management's assessment of the financial stability. Balances periodically exceed the $100,000 federal depository insurance limit; however, the Company has not experienced any losses on deposits.

Inventory

Inventories are stated at the lower of cost, computed using the first-in, first-out method, or market. If the cost of the inventories exceeds their market value, provisions are made currently for the difference between the cost and the market value.

Furniture and Equipment

Furniture and equipment is recorded at cost. The cost and related accumulated depreciation of assets sold, retired or otherwise disposed of are removed from the respective accounts, and any resulting gains or losses are included in the results of operations. Depreciation is computed using the straight-line method over the estimated useful lives of the related assets. Repairs and maintenance costs are expensed as incurred.

Impairment of Long-Lived Assets

The Company evaluates the recoverability of long-lived assets when events and circumstances indicate that such assets might be impaired and determines impairment by comparing the undiscounted future cash flows estimated to be generated by these assets to their respective carrying amounts. Impairments are charged to operations in the period to which events and circumstances indicate that such assets might be impaired.

Intangible Assets

Intangible assets are amortized using the straight-line method over their estimated period of benefit. We evaluate the recoverability of intangible assets periodically and take into account events or circumstances that warrant revised estimates of useful lives or that indicate that impairment exists.

Income Taxes

The Company uses the liability method of accounting for income taxes. Under this method, deferred income taxes are recorded to reflect the tax consequences on future years of temporary differences between the tax basis of assets and liabilities and their financial amounts at year-end. The Company provides a valuation allowance to reduce deferred tax assets to their net realizable value.

Stock-Based Compensation

The Company adopted FASB guidance on stock based compensation on January 1, 2006. Under FASB ASC 718-10-30-2, all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. Stock and stock options issued for services and compensation totaled $1,941,017 and $3,417,545 for the periods ended December 31, 2013 and December 31, 2014, respectively.

Valuation of Derivatives

The Company evaluates its convertible instruments, options, warrants or other contracts to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for under ASC Topic 815, "Derivatives and Hedging." The result of this accounting treatment is that the fair value of the derivative is marked-to-market each balance sheet date and recorded as a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the statement of operations as other income (expense). Upon conversion or exercise of a derivative instrument, the instrument is marked to fair value at the conversion date and then that fair value is reclassified to equity. Equity instruments that are initially classified as equity that become subject to reclassification under ASC Topic 815 are reclassified to liabilities at the fair value of the instrument on the reclassification date. We analyzed the derivative financial instruments (the Convertible Notes), in accordance with ASC 815. The objective is to provide guidance for determining whether an equity-linked financial instrument is indexed to an entity's own stock. This determination is needed for a scope exception which would enable a derivative instrument to be accounted for under the accrual method. The classification of a non-derivative instrument that falls within the scope of ASC 815-40-05 "Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock" also hinges on whether the instrument is indexed to an entity's own stock. A non-derivative instrument that is not indexed to an entity's own stock cannot be classified as equity and must be accounted for as a liability. There is a two-step approach in determining whether an instrument or embedded feature is indexed to an entity's own stock. First, the instrument's contingent exercise provisions, if any, must be evaluated, followed by an evaluation of the instrument's settlement provisions. The Company utilized multinomial lattice models that value the derivative liability within the notes based on a probability weighted discounted cash flow model. The Company utilized the fair value standard set forth by the Financial Accounting Standards Board, defined as the amount at which the assets (or liability) could be bought (or incurred) or sold (or settled) in a current transaction between willing parties, that is, other than in a forced or liquidation sale.

The derivative liabilities result in a reduction of the initial carrying amount (as unamortized discount) of the Convertible Notes. This derivative liability is marked-to-market each quarter with the change in fair value recorded in the income statement. Unamortized discount is amortized to interest expense using the effective interest method over the life of the Convertible Note. If the Note is converted or the warrants are exercised, the derivative liability is released and recorded as additional paid in capital.

Profit/Loss Per Share

Basic and diluted net profit or loss per share is computed on the basis of the weighted average number of shares of common stock outstanding during each period. See Note 12 for a discussion of potentially dilutive instruments.

Fair Value of Financial Instruments

The Company includes fair value information in the notes to financial statements when the fair value of its financial instruments is different from the book value. When the book value approximates fair value, no additional disclosure is made.

We have adopted recently issued accounting pronouncements and have determined that they have no material effect on our financial position, results of operations, or cash flow. We do not expect any recently issued but not yet adopted accounting pronouncements to have a material effect on our financial position, results of operations or cash flow.

2. Going Concern Considerations

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. In 2014, the Company had limited operations and resources. At December 31, 2014, the Company is in a negative working capital position of $14,564,125 and has a stockholders' deficit of $14,542,931. Additionally, as of December 31, 2014 the Company faced substantial challenges to future success as follows:

- The Company is delinquent on critical liabilities such as payments to key consultants.

Such matters raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustment that might result from the outcome of this uncertainty.

The goals of the Company will require a significant amount of capital and there can be no assurances that the Company will be able to raise adequate short-term capital to sustain its current operations in the development stage, or that the Company can raise adequate long-term capital from private placement of its common stock or private debt to emerge from the development stage. There can also be no assurances that the Company will ever attain profitability. The Company's long-term viability as a going concern is dependent upon certain key factors, including:

- The Company's ability to obtain adequate sources of funding to sustain it during its growth stage.

- The ability of the Company to successfully produce and market its gasoline and diesel engine emission reduction device in a manner that will allow it to ultimately achieve adequate profitability and positive cash flows to sustain its operations.

In order to address its ability to continue as a going concern, implement its business plan and fulfill commitments made in connection with its agreement for acquisition of patent rights, the Company hopes to raise additional capital from sale of its common stock. Sources of funding may not be available on terms that are acceptable to the Company and its stockholders, or may include terms that will result in substantial dilution to existing stockholders.

3. Accounts Payable and Accrued Liabilities

Accounts Payable and Accrued Liabilities at December 31, 2014 and December 31, 2013, consisted of the following:

	12/31/2014	12/31/2013
Trade accounts payable	$ 1,087,363	$ 838,699
Accrued wages payable	1,567,173	1,322,103
Accrued interest expense	324,913	259,793
	$ 2,979,449	$ 2,420,595

4. Accounts Payable and Accrued Liabilities – Related Party

The $15,000 amount due at December 31, 2013 and December 31, 2014 consist of $10,000 to Serge Monros and $5,000 to Greg Sweeney for payments made on behalf of the Company related to the Herrera Settlement.

5. Accounts Payable Assumed in Recapitalization

Accounts payable assumed in recapitalization, represents the liabilities of the public shell, at the time, Gene-Cell, Inc. that the Company assumed as part of the recapitalization. This balance is comprised of liabilities for legal fees and trade payables incurred by Gene-Cell, Inc. (See Note 1).

6. Settlement Payable

The Company received a letter dated June 7, 2013 with a Civil Complaint titled Arnold Lamarr Weese, et al v. SaviCorp filed in the Northern District of West Virginia. In addition to SaviCorp, Serge Monros and Craig Waldrop are being sued individually. Settlement discussions failed and Plaintiff's counsel began service of Process. The Company and Mr. Monros have hired Shustak and Partners to defend the claim. The defendants have sued for breach of contract, fraud, vicarious liability, and unlawful sale by an unregistered broker. The lawsuit attempts to hold the Company and Mr. Monros responsible for alleged improprieties of Waldrop. The Company finalized a negotiated settlement on April 7, 2015. The Company has recorded a $1,580,252 liability based on the settlement agreement.

7. Rescission Liability

The Company received a letter from the Securities and Exchange Commission, Los Angeles Regional Office, dated May 9, 2011. The letter informed us that the SEC had entered into a "formal order of investigation" into "Savi Media Group, Inc." The letter included a "Subpoena DucesTecum," meaning the Company was given a prescribed period of time to produce all requested documents and information contained in the subpoena. An index of the source of all such produced information and an authentication declaration were also to be supplied. The stated purpose of the investigation is a fact-finding inquiry to assist the SEC staff in determining if the Company has violated federal securities laws. The SEC states there is no implication of negativity or guilt at this stage of the investigation.

The Company initially hired the Los Angeles law firm of Troy Gould to represent us in the matter of this investigation. As of the date of this filing, the Company believes it has provided all requested material to the SEC. Updates on the investigation will be supplied by supplemental filings hereto.

Status of prior private investments; $0 in 2007 (although HDV sold $13,000 of its shares), $0 in 2008 (although HDV sold $445,750 of its shares), $0 in 2009 (although HDV sold $448,000 of its shares), $910,742 in 2010, $1,827,543 in 2011, and $629,500 in the first three quarters of 2012. There is concern that these private placement securities sales were not made in compliance with applicable law (lack of material disclosure and/or failure to file securities sales notices as required by federal law) and the Company may need to offer rescission rights to the investors.

In 2006, the Company issued shares for services valued at $611,768. There were issued shares for services valued at $1,416,060 in 2007; shares for services valued at $14,625 in 2008, shares for services valued at $380,500 in 2009, shares for services valued at $236,920 in 2010, shares for services valued at $3,370,273 in 2011, and shares for services valued at $3,165,039 during the first 3 quarters of 2012. We have no plans to offer rescission for these share issuances.

We offered rescission to many of the 2011 investors in late 2011 ("2011 rescission offer"). The legal sustainability of these rescission offers is also being looked at by Counsel. The results of our rescission offers, in terms of rescission offers accepted by shareholders, were very encouraging. We had four rescissions offers accepted and refunded $13,000 plus interest.

Generally, we believe we have good relationships with our shareholders. Our plan is to offer rescission to most shareholders obtaining privately offered shares from us since January 1, 2007 through 2011. The Company has pledged to use our best efforts, in good faith, to honor any accepted rescission offer. However, there is no assurance that rescission offer acceptances will not have a material effect on our finances or that we will be able to re-pay those electing to rescind in a complete and timely manner. As of the date hereof, the Company has postponed their plans to offer rescission to earlier purchasing shareholders, deeming it advisable to wait until the common stock price increases and they have more operating cash available to pay for the cost of undertaking this endeavor. The Company has booked a liability to account for this rescission liability and marks the liability to market on a quarterly basis. The rescission liability as of December 31, 2014 is $469,404.

8. Derivatives

In connection with the sale of debt or equity instruments, the Company may sell options or warrants to purchase our common stock. In certain circumstances, these options or warrants may be classified as derivative liabilities, rather than as equity. Additionally, the debt or equity instruments may contain embedded derivative instruments, such as embedded derivative features which in certain circumstances may be required to be bifurcated from the associated host instrument and accounted for separately as a derivative instrument liability.

The Company's derivative instrument liabilities are re-valued at the end of each reporting period, with changes in the fair value of the derivative liability recorded as charges or credits to income in the period in which the changes occur. For options, warrants and bifurcated embedded derivative features that are accounted for as derivative instrument liabilities, the Company estimates fair value using either quoted market prices of financial instruments with similar characteristics or other valuation techniques. The valuation techniques require assumptions related to the remaining term of the instruments and risk-free rates of return, our current common stock price and expected dividend yield, and the expected volatility of our common stock price over the life of the option.

The following table summarizes the convertible debt and warrant liabilities derivative activity for the period December 31, 2012 to December 31, 2014:

Description	Convertible Notes	Warrant Liabilities	Total
Fair value at December 31, 2012	$ 1,198,628	$ 321,680	$ 1,520,308
Change in Fair Value due to Settlement/Issuance	(72,161)	-	(72,161)
Change due to Exercise/Conversion	(166,708)	-	(166,708)
Change in Fair Value	2,889,164	1,060,932	3,950,096
Fair value at December 31, 2013	$ 3,848,923	$ 1,382,612	$ 5,231,535
Change due to Exercise/Conversion/Issuance	(305,412)	139,541	(165,871)
Change in Fair Value	5,244,743	(1,060,310)	4,184,433
.ir value at December 31, 2014	$ 8,788,254	$ 461,843	$ 9,250,097

For the year ended December 31, 2014, net derivative loss was $3,950,096. For the year ended December 31, 2013, net derivative income was $4,184,433.

The lattice methodology was used to value the convertible notes and warrants. The HDV and DSE convertible notes matured on April 1, 2010 and are in default as of 12/31/13 and 12/31/12.

9. Convertible Debt

DS Enterprises:

On December 15, 2009, the Company converted accounts payable due to DS Enterprises, Inc. into a convertible promissory note. The note bears interest at 8%, matured on April 15, 2010, and converts into common shares at the conversion rate of $0.003 (reset to $0.0005) subject to anti-dilution protection. This note was in default as of December 31, 2014 due to lack of payment upon maturity.

Gross accounts payable converted	$	526,094
Plus accrued interest		71,346
Net due	$	597,440

Following is an analysis of convertible debt due DS Enterprises at December 31, 2014 and December 31, 2013:

		2014		2013
Contractual balance, in default	$	511,440	$	511,440
Less unamortized discount		-		-
Convertible debt	$	511,440	$	511,440

This note is considered a derivative instrument due to the anti-dilution protection related to the conversion feature. The Company recorded a derivative liability upon issuance on December 15, 2009 which resulted in the note discount ($597,440 at issuance) and a loss on modification recorded as interest expense in the amount of $344,157. The Company also recorded $79,945 in interest expense upon the conversion of accounts payable to notes payable. During the twelve month period ending December 31, 2013, $15,000 of the principal balance was converted to 50,000,000 shares of common stock.

His Divine Vehicle - Related Party:

On December 15, 2009, the Company converted $204,302 of accounts payable due to His Divine Vehicle, Inc. into a convertible promissory note. The note bears interest at 8%, matured on April 15, 2010, and converts into common shares at the conversion rate of $0.003 (reset to $0.0005) subject to anti-dilution protection. This note was in default as of December 31, 2014 due to lack of payment upon maturity.

Following is an analysis of convertible debt - related party at December 31, 2013 and December 31, 2014:

		2014		2013
Contractual balance, in default	$	204,302	$	204,302
Less unamortized discount		-		-
Convertible debt	$	204,302	$	204,302

This note is considered a derivative instrument due to the anti-dilution protection related to the conversion feature. The Company recorded a derivative liability upon issuance which resulted in the note discount ($204,302 at issuance) and a loss on modification recorded as interest expense in the amount of $131,967 in 2009.

Steve Botkin:

On July 17, 2012, the Company entered into a convertible promissory note with Steve Botkin. The note bears interest at 12%, matures on July 17, 2015 and converts into common shares at the conversion rate of 80% of market. On August 9, 2012, the Company entered into a convertible promissory note with Steve Botkin. The note bears interest at 12%, matures on August 9, 2015 and converts into common shares at the conversion rate of 80% of market.

Following is an analysis of convertible debt due Steve Botkin at December 31, 2014 and December 31, 2013:

		12/31/2014		12/31/2013
Contractual balance	$	-	$	32,600
Less unamortized discount		-		-
Convertible debt	$	-	$	32,600

This note is considered a derivative instrument due to the variable conversion feature. The Company recorded a derivative liability upon issuance which resulted in the note discount ($71,024 at issuance).

Ethan Lamar Pierce:

On July 10, 2014, the Company entered into a convertible promissory note with Ethan Lamar Pierce. The note bears interest of $2,500 and matured on August 9, 2014 and converts into common shares at the conversion rate of $0.0003.

Following is an analysis of convertible debt due Ethan Lamar Pierce at December 31, 2014 and December 31, 2013:

	12/31/2014	12/31/2013
Contractual balance	$ -	$ -
Less unamortized discount	-	-
Convertible debt	$ -	$ -

This note is tainted derivative instrument due to the Company not having adequate authorized and unissued shares of common stock to convert the note. The note was converted to Series B Preferred stock on December 10, 2014.

10. Notes Payable

In connection with the Herrera Settlement Agreement, the Company issued promissory notes to former officers who made payments on behalf of the company. The Notes were issued on November 15, 2008, bear interest of 12% and are due in one year from the date of issuance. The total due as of September 30, 2012 and December 31, 2011 includes $10,778 due to former officers who made payments or waived fees as part of the Herrera Settlement Agreement and the $15,000 due to Mr. Monros and Mr. Sweeney recorded as related party debt to Mr. Monros and Mr. Sweeney.

The Company issued Steve Botkin a note payable of $80,000 for accrued and unpaid wages. On February 7, 2012, the Company issued Steve Botkin 80,000,000 shares as full consideration for the note payable. Based on the market price of the stock at the conversion date, the Company recorded a loss on settlement of $928,000.

The Company issued Chul Chung a note payable of $20,000 for cash on 3/25/14. The note matured on 9/25/14 and bears interest at 12% per year. The note is currently in default.

The Company issued Carole Klove a note payable of $20,000 for cash on 6/12/14. The note matures on 6/12/15 and bears interest at 12% per year.

The Company issued CashCall, Inc. a promissory note of $35,000 on 7/17/14. The Company received $31,500 in cash and paid the lender a $3,500 origination fee. The note matures on 8/1/24 and bears interest at 94% per year. The Company paid the note off on 10/23/14.

The Company issued CashCall, Inc. a promissory note of $50,000 on 11/14/14. The Company received $47,500 in cash and paid the lender a $2,500 origination fee. The note matures on 12/1/24 and bears interest at 94% per year.

11. Commitments and Contingencies

Legal Proceedings

From time to time, we may become party to litigation or other legal proceedings that we consider to be a part of the ordinary course of our business.

The Company received a letter from the Securities and Exchange Commission, Los Angeles Regional Office, dated May 9, 2011. The letter informed us that the SEC had entered into a “formal order of investigation” into “Savi Media Group, Inc.” The letter included a “Subpoena Duces Tecum,” meaning the Company was given a prescribed period of time to produce all requested documents and information contained in the subpoena. An index of the source of all such produced information and an authentication declaration were also to be supplied. The stated purpose of the investigation is a fact-finding inquiry to assist the SEC staff in determining if the Company has violated federal securities laws. The SEC states there is no implication of negativity or guilt at this stage of the investigation.

The Company initially hired the Los Angeles law firm of Troy Gould to represent us in the matter of this investigation. As of the date of this filing, the Company believes it has provided all requested material to the SEC. Updates on the investigation will be supplied by supplemental filings hereto.

Status of prior private investments; $0 in 2007 (although HDV sold $13,000 of its shares), $0 in 2008 (although HDV sold $445,750 of its shares), $0 in 2009 (although HDV sold $448,000 of its shares), $910,742 in 2010, $1,827,543 in 2011, and $629,500 in the first three quarters of 2012. There is concern that these private placement securities sales were not made in compliance with applicable law (lack of material disclosure and/or failure to file securities sales notices as required by federal law) and the Company may need to offer rescission rights to the investors.

In 2006, the Company issued shares for services valued at $611,768. There were issued shares for services valued at $1,416,060 in 2007; shares for services valued at $14,625 in 2008, shares for services valued at $380,500 in 2009, shares for services valued at $236,920 in 2010, shares for services valued at $3,370,273 in 2011, and shares for services valued at $3,165,039 during the first 3 quarters of 2012. We have no plans to offer rescission for these share issuances.

We offered rescission to many of the 2011 investors in late 2011 (“2011 rescission offer”). The legal sustainability of these rescission offers is also being looked at by Counsel. The results of our rescission offers, in terms of rescission offers accepted by shareholders, were very encouraging. We had four rescissions offers accepted and refunded $13,000 plus interest.

Generally, we believe we have good relationships with our shareholders. Our plan is to offer rescission to most shareholders obtaining privately offered shares from us since January 1, 2007 through 2011. The Company has pledged to use our best efforts, in good faith, to honor any accepted rescission offer. However, there is no assurance that rescission offer acceptances will not have a material effect on our finances or that we will be able to re-pay those electing to rescind in a complete and timely manner. As of the date hereof, the Company has postponed their plans to offer rescission to earlier purchasing shareholders, deeming it advisable to wait until the common stock price increases and they have more operating cash available to pay for the cost of undertaking this endeavor. The Company has booked a liability to account for this rescission liability and marks the liability to market on a quarterly basis. The rescission liability as of December 31, 2014 2012 is $469,404.

The Company received a letter dated June 7, 2013 with a Civil Complaint titled Arnold Lamarr Weese, et al v. SaviCorp filed in the Northern District of West Virginia. In addition to SaviCorp, Serge Monros and Craig Waldrop are being sued individually. Settlement discussions failed and Plaintiff's counsel began service of Process. The Company and Mr. Monros have hired Shustak and Partners to defend the claim. The defendants have sued for breach of contract, fraud, vicarious liability, and unlawful sale by an unregistered broker. The lawsuit attempts to hold the Company and Mr. Monros responsible for alleged improprieties of Waldrop. The Company negotiated a settlement and received court approval on April 7, 2015. The Company has recorded a settlement liability of $1,580,282 which represents an estimate of the fair value of the consideration to be paid to the Plaintiffs based on most recent settlement discussions. This amount includes the current value of approximately 300,000,000 shares to be issued and the $100,000 in legal fees to be paid.

Lease Commitments

The Company is currently leasing office space and adjacent research and development space on an annual basis from CEE, LLC, for $110,000 per year.

12. Stockholders' Equity

Common Stock

Following is a description of transactions affecting common stock for the periods ended December 31, 2013 and December 31, 2014.

Year Ended December 31, 2013

The Board of Directors authorized the issuance of 9,450,000 Preferred A and 4,488,500 Preferred C shares and 567,652,694 common shares to accredited and non-accredited investors for total proceeds of $1,368,450.

Throughout the year, the Board of Directors also authorized the issuance of 749,900,000 common shares for services rendered by independent contractors issuances based on the market value of the stock.

Throughout the year, 300,000 Preferred A shares were converted to 30,000,000 common shares.

Throughout the year, the Company borrowed 246,000,000 common shares from directors of the Company.

Throughout the year, the Company issued 50,000,000 shares of common stock in exchange for debt of $15,000.

Throughout the year, the Company bought back 3,500,000 shares of common stock for $14,000.

Throughout the year, the Company received net 12,156,250 shares of common stock in settlement agreements.

Year Ended December 31, 2014

Throughout the year, the Board of Directors also authorized the issuance of 500,000 common shares for services rendered by independent contractors issuances based on the market value of the stock.

Throughout the year, 300,000 Preferred C shares were converted to 30,000,000 common shares.

Throughout the year, 70,000,000 common shares were converted to Preferred A shares.

Throughout the year, the Company issued 71,433,289 shares of common stock upon a cashless exercise of warrants.

Throughout the year, the Company bought back 20,000,000 shares of common stock for $17,000.

Stock Options

There were no stock options outstanding during the years ended December 31, 2013 and December 31, 2014.

Incentive Stock Plan

During the year ended December 31, 2005 the 2005 Incentive Stock Plan was adopted by the Company's Board of Directors and approved by the stockholders in August 2005. The 2005 Plan provides for the issuance of up to 25,000,000 shares and/or options. The primary purpose of the 2005 Incentive Stock Plan is to attract and retain the best available personnel for us in order to promote the success of our business and to facilitate the ownership of our stock by employees. The 2005 Incentive Stock Plan is administered by our Board of Directors. Under the 2005 Incentive Stock Plan, key employees, officers, directors and consultants are entitled to receive awards. The 2005 Incentive Stock Plan permits the granting of incentive stock options, non-qualified stock options and shares of common stock with the purchase price, vesting and expiration terms set by the Board of Directors. No options have been issued under the Plan as of December 31, 2014.

Stock Warrants

In connection with the repayment agreement, we agreed to issue to YA Global warrants to purchase an aggregate of 25,000,000 shares of common stock, exercisable for a period of three years at an exercise price of $0.0119. The warrants issued to YA Global provide for certain anti-dilution protection in the event that (i) we issue shares of our common stock for a purchase price below the exercise price of the various warrants or in the event we issue options or other convertible securities with a conversion price below the exercise price, (ii) we effectuate a stock split, stock dividend or other form of recapitalization, or (iii) we declare a dividend payment to the holders of our common stock. The exercise price was reset on December 8, 2011 to $0.0005 and the number of warrants increased to 595,000,000. The exercise price was reset on January 30, 2013 to $0.0003 and the number of warrants increased to 991,666,667. The Company issued 71,433,289 shares under a cashless exercise on 3/28/14. As of December 31, 2014, the warrants have expired.

The Company issued 5,000,000 warrants in May 2010 to a law firm for services rendered valued at $137,000 using a Black-Scholes-Merton model using the following inputs (0.0% dividend yield, stock price of $0.0274, risk-free rate of 2.43%, volatility of 417%, 5 year remaining term). The warrants expire in five years with an exercise price of $0.01.

The Company issued 666,667 warrants in April 2012 to a law firm for services rendered valued at $770 using a lattice model using the following inputs (0.0% dividend yield, stock price of $0.009, risk-free rate of 0.53%, volatility of 139%, 2.5 year remaining term). The warrants expired on 10/4/14 with an exercise price of $0.015.

The Company issued 125,000,000 warrants to Joseph Gimbel on 12/29/14 as part of purchase of Preferred stock. The warrants are priced at $0.0004 and expire on 12/29/15. These warrants are treated as tainted derivatives because the Company does not have sufficient authorized unissued common shares to share settle this instrument.

As of December 31, 2014 the following warrants remain outstanding:

Number of Warrants		Exercise Price	Remaining Life Years
125,000,000	$	0.0004	0.99
5,000,000		0.0100	0.33
130,000,000	$	0.0008	

Preferred Stock

During the year ended December 31, 2005, the Company set preferences for its Series A, B and C preferred stock. The Company is authorized to issue 40,000,000 shares of preferred stock, $0.01 par value per share. At December 31, 2014 the Company had 27,880,143 shares of series A preferred stock issued and outstanding, 274,602 shares of series B preferred stock issued and outstanding and 8,455,697 shares of series C preferred stock issued and outstanding. The Company's preferred stock may be issued in series, and shall have such voting powers, full or limited, or no voting powers, and such designations, preferences and relative participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions providing for the issuance of such stock adopted from time to time by the board of directors.

The Series A and Series C preferred stock provides for conversion on the basis of 100 shares of common stock for each share of preferred stock converted, with conversion at the option of the holder or mandatory conversion upon restructure of the common stock and holders of the series A preferred stock vote their shares on an as-converted basis. Holders of the series A preferred stock participates on distribution and liquidation on an equal basis with the holders of common stock.

The series B preferred stock provides for conversion on the basis of 10,000 shares of common stock for each share of preferred stock converted, with conversion at the option of the holder or mandatory conversion upon restructure of the common stock and holders of the series A preferred stock vote their shares on an as-converted basis. Holders of the series B preferred stock participates on distribution and liquidation on an equal basis with the holders of common stock.

Following is a description of transactions affecting preferred stock for the years ended December 31, 2013 and December 31, 2014.

Year Ended December 31, 2013

The Board of Directors authorized the issuance of 9,450,000 Preferred A and 4,488,500 Preferred C shares and 749,000,000 common shares to accredited and non-accredited investors for total proceeds of $1,368,450.

Throughout the year, 1,351,667 Preferred A shares and 60,000 Preferred C shares were issued for services rendered by independent contractors issuances based on the market value of the stock.

Throughout the year, the Company borrowed 3,491,423 Preferred A shares and 202,412 Preferred C shares from directors of the Company.

Throughout the year, 300,000 Preferred A shares were converted to 30,000,000 common shares.

Year Ended December 31, 2014

The Board of Directors authorized the issuance of 12,301,666 Preferred A and 159,846 Preferred B shares to accredited and non-accredited investors for total proceeds of $1,269,660.

Throughout the year, 1,700,000 Preferred A shares, 94,950 Preferred B shares and 500,000 Preferred C shares were issued for services rendered by independent contractors issuances based on the market value of the stock.

Throughout the year, 300,000 Preferred C shares were converted to 30,000,000 common shares.

Throughout the year, 70,000,000 common shares were converted to Preferred A shares.

Throughout the year, the Company issued 19,806 Preferred B shares for the conversion of $80,344 of debt.

Throughout the year, the Company issued 215,000 Preferred A shares as OID for newly issued debt.

Potentially Dilutive Equity Instruments

The following is an analysis of potentially dilutive equity instruments at December 31, 2014

Series A Preferred Stock convertible to common stock on a 100 for 1 basis	2,788,014,300
Series B Preferred Stock convertible to common stock on a 10,000 for 1 basis	2,746,020,000
Series C Preferred Stock convertible to common stock on a 100 for 1 basis	845,569,700
Total	6,379,584,000

Other Equity Transactions

Year Ended December 31, 2013

Interest was imputed on non-interest bearing related party debt in the amount of $13,667 and credited to additional paid in capital.

Year Ended December 31, 2014

Interest was imputed on non-interest bearing related party debt in the amount of $4,774 and credited to additional paid in capital.

13. Related Party Transactions

The Company engaged in various related party transactions involving the issuance of shares of the Company's common stock during the years ended December 31, 2013 and December 31, 2014.

During 2007, 2008, 2009, 2010 and 2011 His Divine Vehicle, Inc. ("HDV") incurred costs on behalf of the Company. At December 31, 2014, the Company owed Serge Monros $767,067 in accrued wages.

HDV, an affiliate of Mr. Monros, manufactures the “DynoValve” and “DynoValve Pro” products and then sells them to the Company for resale pursuant to the Product Licensing Agreement entered into on November 15, 2008. As consideration for HDV entering into the Product Licensing Agreement, the Company agreed to issue to Mr. Monros and HDV, if and when available, an aggregate of 500 Million shares of Common Stock, 5 Million shares of Series A Preferred Stock and 5 Million shares of Series C Preferred Stock. HDV loaned 1,000,000 Preferred A shares to the Company in 2008. As additional consideration for the Licensing Agreement, HDV waived $332,786 owed to it by the company and Mr. Monros waived $306,000 in accrued wages. The excess value of the shares issued (common and preferred) over the debt waived was expensed to research and development. In July, 2011, the stock consideration paid for the licensing agreement was modified to increase the common shares by 100,000,000, increase the Series A Preferred Stock by 1,500,000 and reduce the Series C Preferred Stock by 2,500,000.

Mr. Monros has continued the process of preparing patent applications for the other versions of the DynoValve products & related IP. In March, 2013, the Company entered into a five (5) year Master Distribution Agreement with His Divine Vehicle to sell the DynoValve and DynoValve Pro in various international territories. The consideration for the agreement was guaranteeing a minimum annual volume, payment for the DynoValves acquired and a three percent (3%) royalty payment. The Company is currently in default on this agreement.

In March, 2015, the Company entered into a seven (7) year Master Distribution Agreement with Dynovalve Mfg, LLC, the holder of the patents for the DynoValve products and related IP. The agreement is an exclusive agreement for North America. The consideration for the agreement was payment for products acquired and a three percent (3%) royalty payment.

On December 15, 2009, the Company converted $204,302 of accounts payable due to His Divine Vehicle, Inc. into a convertible promissory note. The note bears interest at 8%, matured on April 15, 2010, and converts into common shares at the conversion rate of $0.003 (reset to $0.0003) subject to anti-dilution protection. The note matured and is currently in default due to lack of payment at maturity. The principal balance due as of December 31, 2013 and December 31, 2014 is $204,302.

His Divine Vehicle and Serge Monros has loaned 71,585,400 common shares, 6,491,420 Preferred A shares and the 3,524,100 Preferred C shares to the Company.

14. Subsequent Events.

Stock Issuances:

Since December 31, 2014, the Board of Directors authorized the issuance of an aggregate of 90,357 shares of its Preferred B shares to accredited and non-accredited investors for total proceeds of $375,000. In addition, the Board of Directors has authorized the issuance of an aggregate of 1,800 shares of its Preferred B shares for services rendered valued at an aggregate of $64,800. All investors reviewed or had access to all of the Company's filing pursuant to the Securities Exchange Act of 1934, as amended.

Legal Proceedings:

The Company received a letter from the Securities and Exchange Commission, Los Angeles Regional Office, dated May 9, 2011. The letter informed us that the SEC had entered into a "formal order of investigation" into "Savi Media Group, Inc." The letter included a "Subpoena Duces Tecum," meaning the Company was given a prescribed period of time to produce all requested documents and information contained in the subpoena. An index of the source of all such produced information and an authentication declaration were also to be supplied. The stated purpose of the investigation is a fact-finding inquiry to assist the SEC staff in determining if the Company has violated federal securities laws. The SEC states there is no implication of negativity or guilt at this stage of the investigation.

We hired the Los Angeles law firm of Troy Gould to represent us in the matter of this investigation. As of the date of this filing, we believe we have provided all requested material to the SEC.

Status of prior private investments; $0 in 2007 (although HDV sold $13,000 of its shares), $0 in 2008 (although HDV sold $445,750 of its shares), $0 in 2009 (although HDV sold $448,000 of its shares), $910,742 in 2010, $1,827,543 in 2011. There is concern that these private placement securities sales were not made in compliance with applicable law (lack of material disclosure and/or failure to file securities sales notices as required by federal law) and the Company may need to offer rescission rights to the investors.

In 2006, the Company issued shares for services valued at $611,768. There were issued shares for services valued at $1,416,060 in 2007; shares for services valued at $14,625 in 2008, shares for services valued at $380,500 in 2009, shares for services valued at $236,920 in 2010, and shares for services valued at $3,370,273 in 2011. We have no plans to offer rescission for these share issuances.

We offered rescission to many of the 2011 investors in late 2011 ("2011 rescission offer"). The legal sustainability of these rescission offers is also being looked at by Counsel. The results of our rescission offers, in terms of rescission offers accepted by shareholders, were very encouraging. We had four rescissions offers accepted and refunded $13,000 plus interest.

Generally, we believe we have good relationships with our shareholders. Our plan is to offer rescission to most shareholders obtaining privately offered shares from us since January 1, 2007 through 2011. The Company has pledged to use our best efforts, in good faith, to honor any accepted rescission offer. However, there is no assurance that rescission offer acceptances will not have a material effect on our finances or that we will be able to re-pay those electing to rescind in a complete and timely manner. As of the date hereof, the Company has postponed their plans to offer rescission to earlier purchasing shareholders, deeming it advisable to wait until the common stock price increases and they have more operating cash available to pay for the cost of undertaking this endeavor. The Company has booked a liability to account for this rescission liability and marks the liability to market on a quarterly basis. The rescission liability as of September 30, 2012 is $491,716.

The Company received a letter dated June 7, 2013 with a Civil Complaint titled Arnold Lamarr Weese, et al v. SaviCorp filed in the Northern District of West Virginia. In addition to SaviCorp, Serge Monros and Craig Waldrop are being sued individually. Settlement discussions failed and Plaintiff's counsel began service of Process. The Company and Mr. Monros have hired Shustak and Partners to defend the claim. The defendants have sued for breach of contract, fraud, vicarious liability, and unlawful sale by an unregistered broker. The lawsuit attempts to hold the Company and Mr. Monros responsible for alleged improprieties of Waldrop. The Company has finalized a negotiated settlement and has received court approval as of April 7, 2015. The Company has recorded a $1,580,252 liability based on the current settlement agreement offer.

Licensing Events:

Mr. Monros has continued the process of preparing patent applications for the other versions of the DynoValve products & related IP. In March, 2013, the Company entered into a five (5) year Master Distribution Agreement with His Divine Vehicle to sell the DynoValve and DynoValve Pro in various international territories. The consideration for the agreement was guaranteeing a minimum annual volume, payment for the DynoValves acquired and a three percent (3%) royalty payment. The Company is currently in default on this agreement.

In March, 2015, the Company entered into a seven (7) year Master Distribution Agreement with Dynovalve Mfg, LLC, the holder of the patents for the DynoValve products and related IP. The agreement is an exclusive agreement for North America. The consideration for the agreement was payment for products acquired and a three percent (3%) royalty payment.

Major Contracts:

In 2013, the Company has entered into a 5 year licensing agreement with DynoGreen Tech, LLC ("DGT") to sell the DynoValve products in the licensed territories (UAE, Dubai, Malaysia, India, and Africa). DGT has ordered 3,000 DynoValves as of 9/30/13. The DynoValves were shipped in the third quarter of 2013. In order for them to fulfill and maintain this 5 year licensing agreement, they are required to purchase 500 additional DynoValves per quarter for a total of $3,000,000 over a 5 year span.

In 2014, the Company entered into a 5 year licensing agreement with Beijing FlyingGlob Environmental Technology Limited Company, a company established in the People’s Republic of China. According to the terms of the Agreement, FlyingGlob will promote, distribute and sell SaviCorp's signature line of DynoValve® automotive products within its exclusive territory, which is defined as the People's Republic of China and the Special Administrative Regions of Hong Kong and Macau.

FlyingGlob entered into the distribution agreement, which establishes a minimum annual purchase volume of 500,000 DynoValve® units during the first year. In support of this requirement, FlyingGlob is to purchase an initial order of 50,000 units at a price of $8.25 million. During the final four years of the contract, FlyingGlob has agreed to a minimum purchase of 5.5 million units, for a total minimum order of 6 million units during the five-year term of the agreement. The successful distribution and sale of the 6 million units is estimated to produce revenues of approximately $679.5 million. In addition, the agreement provides for a $30 million licensing fee to be paid by FlyingGlob that may be paid over the term of the agreement.

Item XIV Beneficial Owners.

The following table sets forth certain information regarding the beneficial ownership of our Common Stock as of December 31, 2014 by the following persons:

- each person who is known to be the beneficial owner of more than five percent (5%) of our issued and outstanding shares of each class of stock;
- each of our directors and executive officers; and
- all of our directors and executive officers as a group

Common Shares

As of 12/31/14

Shareholder	Common Shares Beneficially Owned	Percent
Serge Monros	1,766,902,928	23.8%
Philip Pisanelli	20,000,000	0.3%
Rudy Rodriguez	202,000,000	3.3%
Glenn Clarke	957,000,000	14.2%
Joseph Gimbel	616,900,000	9.3%
Neal Shindel & Joan Dengrove Family Trust	315,000,000	5.0%
Lucius Blanchard Family Trust	1,450,000,000	19.5%
Saheed Kottoth	528,666,667	8.6%
Officer and Directors	1,988,902,928	26.6%

Preferred A

As of 12/31/14

Shareholder	Preferred A	Percent
Serge Monros	6,971,323	25.0%
Philip Pisanelli	100,000	0.4%
Rudy Rodriguez	-	0.0%
David Blanchard	2,000,000	7.2%
Joseph Gimbel	3,490,000	12.5%
Neal Shindel & Joan Dengrove Family Trust	2,625,000	9.4%
Lucius Blanchard Family Trust	4,500,000	16.1%
Ira Gaines	1,666,666	6.0%
Officer and Directors	7,071,323	25.4%

Preferred B

As of 12/31/14

Shareholder	Preferred B	Percent
Serge Monros	-	0.0%
Philip Pisanelli	-	0.0%
Rudy Rodriguez	-	0.0%
Glenn Clarke	77,500	28.2%
Joseph Gimbel	14,290	5.2%
Lucius Blanchard Family Trust	100,000	36.4%
Officer and Directors	-	0.0%

Preferred C

As of 12/31/14

Shareholder	Preferred C	Percent
Serge Monros	4,468,412	52.8%
Philip Pisanelli	-	0.0%
Rudy Rodriguez	500,000	5.9%
Alexander M Haig Jr	500,000	5.9%
Alexander P Haig	433,000	5.1%
Chul Chung	1,088,500	12.9%
Saheed Kottoth	2,000,000	23.7%
John Orrock	750,000	8.9%
Officer and Directors	4,968,412	58.8%

In all cases above; includes shares held by and issued in the name of Mr. Monros, as well as shares held by and issued in the name of HDV, of which Mr. Monros is the beneficial owner and control person. Stock payable is included in the above tables.

Item XV The name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure:

1. Investment Banker

   None.

2. Promoters

   None.

3. General Counsel

None.

4. Accountants

M&K CPAs
4100 N. Sam Houston Parkway W.
Suite 200-B
Houston, TX 77086
832-242-9950

5. Public Relations Consultant(s)

None.

6. Investor Relations Consultant

None.

7. Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement - the information shall include the telephone number and email address of each advisor.

None.

Item XVI Management's Discussion and Analysis or Plan of Operation.

RESULTS OF OPERATIONS FOR THE YEAR ENDED DECEMBER 31, 2014; ALSO INCLUDING RESULTS FOR FISCAL YEARS 2013.

THE DISCUSSION IN THIS SECTION CONTAINS CERTAIN STATEMENTS OF A FORWARD-LOOKING NATURE RELATING TO FUTURE EVENTS OR OUR FUTURE PERFORMANCE. WORDS SUCH AS "ANTICIPATES," "BELIEVES," "EXPECTS," "INTENDS," "FUTURE," "MAY" AND SIMILAR EXPRESSIONS OR VARIATIONS OF SUCH WORDS ARE INTENDED TO IDENTIFY FORWARD-LOOKING STATEMENTS, BUT ARE NOT THE ONLY MEANS OF IDENTIFYING FORWARD-LOOKING STATEMENTS. SUCH STATEMENTS ARE ONLY PREDICTIONS AND ACTUAL EVENTS OR RESULTS MAY DIFFER MATERIALLY.

IN EVALUATING SUCH STATEMENTS, YOU SHOULD CONSIDER VARIOUS RISK FACTORS, INCLUDING BUT NOT LIMITED TO, THE INHERENT DIFFICULTY IN OPERATING A "GOING CONCERN;" THE EFFECT IF THERE WERE TO BE SIGNIFICANT CHANGES IN MANAGEMENT PERSONNEL; POTENTIAL PRODUCT LIABILITY ISSUES; DIFFICULTY IN MEETING COMPETITOR CHALLENGES SUCH AS THE INTRODUCTION OF NEW PRODUCTS; INCREASED RESEARCH AND DEVELOPMENT AND/OR EQUIPMENT ACQUISTION COSTS; CHANGES IN GENERAL ECONOMIC CONDITIONS AND/OR THE INDUSTRY IN WHICH THE COMPANY COMPETES; CHANGES IN THE QUALITY AND/OR SOURCES OF MANUFACTURING MATERIALS; MAJOR GOVERNMENT REGULATION CHANGES AND/OR ISSUE(S); FLUCTUATIONS IN WORK FORCE QUALITY AND AVAILABLITY; LABOR DISRUPTIONS (SUCH AS SUPPLIERS, PRODUCT MANUFACTURE, PRODUCT INSTALLATION OR TRANSPORTATION STOPPAGES OR SLOWDOWNS); ANY OF WHICH COULD CAUSE ACTUAL RESULTS TO DIFFER MATERIALLY FROM THOSE INDICATED BY SUCH FORWARD-LOOKING STATEMENTS.

We report our financial condition (accounting periods) on a calendar quarterly and annual basis. Our outlook for 2014 is very positive for new and existing business opportunities that have been in the workings for the past several months, which Management is very encouraged with the progress negotiations to bring on new companies with fleets to service. A lot of emphasis has been put by Management on building long-term relationships with our existing clients and as well with the new ones, this has been the key driving force in developing and nurturing those valuable old and new relationships.

A. Plan of Operation.

Our short-term plans are to become the dominant blow-by gases and related crankcase ventilation system and emission reduction provider but at the same time, aggressively expand into becoming a leading provider of multiple fuel efficiency and emission reduction technologies and related systems that solve practical emission reduction and engine combustion system problems.

Business Plan for the progress of SaviCorp:

1. Continued Manufacturing, Marketing and Installation networks of DynoValves;

2. License and further market to engine manufactures, domestically;

3. Continue Development and Testing of DynoValve Pro (Diesel);

4. Worldwide Licensing of Marketing rights and R&D with OEM Distributers and manufactures of engines;

5. Carbon Credit Business: Since the DynoValve significantly reduces emissions in most applications, there may be Carbon Credits available to be sold. Many Governments (State & Federal) participate in programs to market these savings. SaviCorp is investigating partnerships to participate in these income streams.

6. Seek Federal Government endorsement and participation in counseling and offering incentives to State Governments and industries as a whole.

Our initial strategy revolves around developing and commercializing our technology and accessories tailored to the specific application needs of the industry OEMs and partners (e.g. fleet transportation, automotives, trucks, trains, diesel, stationary systems, marine boats crafts, vessels, motorcycles, lawn mowers, etc.) while focusing on licensing our technology eventually for full scale market commercialization (i.e., automotive and/or truck manufacturer, automobile maker, automobile retrofit suppliers, etc.). We intend to work directly with end users (who could "pull through" our products to manufacturer) as well as OEMs and partners to establish emission reduction products that are based on specific requirements and on manufacturing and internal partners capabilities. Conversely, we will seek to expand our licensing/distribution agreements.

In the long term, we will continue to provide technical support and R&D and marketing activities to our partners/distributors in reference to our technology.

Our overall corporate strategy is designed to maximize the market value inherent to the Company's technology base, positioning the Company to access capital while establishing a market base for our products and providing future liquidity and superior value for our shareholders. The fundamental theme of our business strategy includes the following:

1. Grow the Company aggressively to respond to current robust market demand, to capture market share in rapidly developing domestic and international markets and to access favorable capital markets;

2. Maximize business fundamentals and ensure maximum value in each business unit without unnecessary increase in overhead or reporting;

3. Maintain the entrepreneurial climate of an aggressive growth company with the organizational and financial strengths of a mature and well-established enterprise;

4. Provide and maintain market segment specific focus and maximize market share; and

5. Attract, retain and reward key management.

Serge Monros, SaviCorp Chairman and CEO, reports the following recent accomplishments:

- October 2013: CEO Serge Monros has obtained patents in both Australia and Israel for his pollution control system, featured in the company's flagship product, the DynoValve®. Originally awarded through the United States Patent and Trademark Office, patent no. 8,360,038 B2 ("Pollution Control System"), has officially been granted to Mr. Monros by both Australia and Israel, solidifying SaviCorp®'s presence as a worldwide producer of emission reduction technologies.
- November 2013:one of SaviCorp's representatives sent a proposal to officials at the United States Postal Service (USPS), to offer the specifically designed "USPS-LLV DynoValve® Fuel and Emissions System" to the USPS for retrofit of the USPS LLV fleet. This could bring in potentially multi-millions in revenues. Since then we have sent our Director of Development to do testing on a couple of their vehicles, and it is now moving up the ladder.
- We have also contracted ATG (The Automotive Training Group, Inc.) to created installation and training manuals for the DynoCap and DynoValve products for use in the US, as well as oversees. In January of 2004, ATG acquired the product development, training, and sales legacy of JENDHAM, Inc. in order to continue offering industry leading training and information products. ATG's primary mission is to develop and deliver advanced drivability training seminars for the automotive aftermarket. Our secondary mission is the customization and presentation of training products to corporate customers. These secondary products currently include the following variations:
    - Sales of stand-alone training manuals
    - Sales of stand-alone technician reference handbooks
    - Adaptation of materials for specific tool vendors
    - Adaptation of materials and presentations for private labeling
    - Delivery of private-labeled seminars in two ways:
        - o Branded and presented as customer's product (not 'ATG')
        - o Presented as an ATG product, but as a component of customer's internal technician training program

Products and seminars are structured to be presented as lecture, lab, or in any combination depending on the delivery location and customer needs.

- Late December 2013, SaviCorp was informed by DynoGreen Tech. LLC aka DGT (who holds SaviCorp's licensing agreement to sell its products in the UAE), that to qualify DynoValve in UAE/Middle East; one of the requirements is ISO certification. Early in 2014, SaviCorp has begun the process of getting ISO 9001 Certification, which is for Quality Management. These standards provide the organization with an international, state-of-the-art model to follow to ensure that its products and services satisfy the customer's quality requirements & comply with any regulations applicable to those products or services. This certification is also required by many government organizations and other large fleet owners. This will help us acquire local and foreign government sales.
- January 2014: SaviCorp has finalized contractual agreements with Team TSI Inc., a company specializing in fuel management system installation and product management, regarding the application of its emission reduction technologies to commercial fleets across the United States and Canada. In securing a contract agreement with Team TSI, SaviCorp® has taken another step

towards the continental distribution of its automotive technologies, namely its highly successful flagship product, the DynoValve®. Team TSI will act as the US and Canadian contact for the installation of SaviCorp® products. SaviCorp®'s innovative products, being offered alongside Team TSI's certified technicians and turnkey fleet services, will serve to reduce emissions and improve the fuel economy of some of the most active commercial fleets in North America.

- SaviCorp has engaged the Capital Solutions firm Strada Capital Corporation, in order to help customers obtain the financing they need to outfit their commercial fleet vehicles with DynoValve® units, SaviCorp®'s patented emission reduction system. Through Strada Capital, qualifying customers seeking to implement DynoValve® units on commercial fleet vehicles will have the option, at the time of this release, to finance their investment with rates as low as 4.5 percent, ranging in amounts from $2,000 up to $125 million per customer.
- In 2014, the Company entered into a 5 year licensing agreement with Beijing FlyingGlob Environmental Technology Limited Company, a company established in the People's Republic of China. According to the terms of the Agreement, FlyingGlob will promote, distribute and sell SaviCorp's signature line of DynoValve® automotive products within its exclusive territory, which is defined as the People's Republic of China and the Special Administrative Regions of Hong Kong and Macau.
- FlyingGlob entered into the distribution agreement, which establishes a minimum annual purchase volume of 500,000 DynoValve® units during the first year. In support of this requirement, FlyingGlob is to purchase an initial order of 50,000 units at a price of $8.25 million. During the final four years of the contract, FlyingGlob has agreed to a minimum purchase of 5.5 million units, for a total minimum order of 6 million units during the five-year term of the agreement. The successful distribution and sale of the 6 million units is estimated to produce revenues of approximately $679.5 million. In addition, the agreement provides for a $30 million licensing fee to be paid by FlyingGlob that may be paid over the term of the agreement.

B. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Results of Operations

Revenues

Our overall revenues consisted of $797,725 for the year ended 2013 and $26,164 for the year ended 2014. The large growth in sales in 2013 was primarily due to our licensing agreement with DGT. The drop in revenues in 2014 was primarily due to the Company focusing on obtaining the new China agreement. We expect our revenues to increase dramatically as we look to expand our current business operations in China and elsewhere.

Operating Expenses

We had total net cash used by operating activities of $1,240,170 for the year ended December 31, 2014, as well as $1,225,786 for the year ending December 31, 2013. We expect operating expenses to increase as we expand our current business operations and increase sales activities.

General and Administrative Expenses. We had total general and administrative expenses of $5,035,613 for the year ended December 31, 2014 and $3,711,454 for the year ending December 31, 2013. These expenses are largely attributable to stock based compensation, accrued wages and lease expenses, as well as legal and accounting fees. We expect such expenses to increase as we look to expand our current business operations and increase sales activities.

Other Non-Operational Income/Expenses

We had a non-operational loss of $4,328,951 for the year ended December 31, 2014. We had non-operational loss of $1,878,788 for the year ending December 31, 2013. This is primarily due to changes in the fair value of our financial instruments, see below.

Change in Fair Value of Financial Instruments. We had a change in the fair value of our derivatives of $94,184,433) for the year ended December 31, 2014. We had a change in the fair value of our derivatives of $(3,950,096) for the year ending December 31, 2013. In addition, for the year ended December 31, 2013 the change in the fair value of the rescission liability generated $2,052,971 in income. All of these changes are due to the change in the fair value of certain convertible securities and warrants and the change in the underlying stock price related to such instruments.

Interest Expense. We had interest expenses of $160,947 in the year ending December 31, 2014 and $86,332 for the year ended December 31, 2013.

Net Income/Loss From Operations

We sustained net losses from operations of $5,034,817 for the year ended December 31, 2014 and $3,392,412 for the year ended December 31, 2013. Such increase in net losses in 2014 relates to an increase in stock based compensation and increases in general and administrative expenses.

Net Income

We had net losses of $9,363,768 for the year ended December 31, 2014. Our net loss was $5,271,200 for the year ended December 31, 2013. The change in net income for the periods is mainly attributable to the change in the fair value of Company financial instruments and an increase in general and administrative expenses as well as a drop in revenues.

Liquidity and Capital Resources

Our cash on hand was $32,373 at December 31, 2014. We had cash on hand of $60,612 as of December 31, 2013. Our current cash on hand is not sufficient to satisfy our cash requirements without additional funding. The Company has funded its operations and met its capital expenditures requirements primarily through cash generated from contributions from the issuance of stock, convertible debt securities and promissory notes. We do not have any financing commitments and no assurance can be made that we will be obtaining financing at the times and terms needed.

Need for Additional Capital

As indicated above, management does not believe that the Company has sufficient capital to sustain its operations without raising additional capital. We presently do not have sufficient guaranteed available credit, bank financing or other external sources of liquidity. Accordingly, we expect that we will require additional funding through additional equity and/or debt financings during the next 12 months on order to complete our business plan going forward. However, there can be no assurance that any additional financing will become available to us, and if available, on terms acceptable to us.

C. Off-Balance Sheet Arrangements.

The Company does not have any off-balance sheet arrangements.

PART E ISSUANCE HISTORY

Item XVII List of securities offerings and shares issued for services in the past two years.

All shares issued by the Company, including all securities offerings and shares issued for services in the past two years have either been disclosed below or disclosed in the Company's public filings with the SEC located at www.sec.gov. Management requests that all current and prospective shareholders review all public filings posted on both the SEC website and on Pink Sheets/OTC Markets Group, Inc.'s website at www.otcmarkets.com.

During the twelve months ended December 31, 2013, the Company issued 749,900,000 shares of common stock, 1,351,667 shares of Preferred A stock, and 60,000 shares of Preferred C stock to individuals that provided consulting and other services to the Company and recognized compensation expense of $1,941,017. The Company issued 567,652,694 common shares, 9,450,000 Preferred A shares, and 4,488,500 Preferred C shares for proceeds of $1,368,450.

During the twelve months ended December 31, 2014, the Company issued 500,000 shares of common stock and 1,700,000 shares of Preferred A stock and 94,950 shares of Preferred B stock to individuals that provided consulting and other services to the Company and recognized compensation expense of $3,417,545. The Company issued 12,301,666 Preferred A shares and 159,846 Preferred C shares for proceeds of $1,269,660.

PART F EXHIBITS

Item XVIII Material Contracts.

All material contracts and/or their terms the Company has entered into in the past two years that do not contain confidential information have either been disclosed in this information statement or disclosed in the Company's public filings with the SEC located at www.sec.gov. Management requests that all current and prospective shareholders review all public filings posted on both the SEC website at www.sec.gov and on OTC Market's website at www.otcmarkets.com.

Item XIX Articles of Incorporation and Bylaws.

A. Articles of Incorporation.

Our original Articles of Incorporation and subsequent amendments thereto are contained in our Supplement filed on OTC Markets on August 25, 2011.

B. Bylaws -

A complete copy of the original Bylaws of the Company have been attached as an exhibit to our Registration Statement on Form SB-2 filed with the SEC on June 27, 2005.

Item XX Purchases of Equity Securities by the Issuer and Affiliated Purchasers.

Not Applicable.

Item XXI Issuer's Certifications.

The below executing individuals certify, in their capacities listed below, that:

1. They have reviewed this Initial Disclosure Statement of SaviCorp;

2. Based on their 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 their 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.

Date: April 14, 2015

SAVICORP

/s/ Serge Monros

By: Serge Monros
Its: Chief Executive Officer and
Chief Financial Officer