

**APPSWARM, CORP**

**FINANCIAL STATEMENTS (UNAUDITED)**

**FOR THE TWO YEARS ENDED  
DECEMBER 31, 2016 AND 2015**

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**AppSwarm, Inc.**  
**Balance Sheets (Unaudited)**

	December 31, 2016	December 31, 2015
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 4,099	\$ 1,159
Accounts receivable	-	-
Other current assets		18,231
Total current assets	4,099	19,390
Fixed assets	-	-
Accumulated depreciation	-	-
Net fixed assets	-	-
Intangible asset	105,000	-
Deposits	-	5,200
Total assets	<u>\$ 109,099</u>	<u>\$ 24,590</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 5,975	-
Other current liabilities	-	637,111
Convertible promissory notes	171,300	408,981
Notes payable	169,644	169,644
Loans from shareholder	-	59,560
Total current liabilities	346,919	1,275,296
Commitments and contingencies	-	-
<b>STOCKHOLDERS' DEFICIT</b>		
Preferred stock, \$0.001 par value, 10,000,000 shares authorized; issued 161,100 at December 31, 2016 and December 31, 2015.	261,100	161,100
Common stock, \$0.001 par value, 800,000,000 shares authorized; issued and outstanding 50,014,851 and 83,685,581 at December 31, 2016 and December 31, 2015.	113,014	83,686
Additional paid-in capital	(1,019,893)	(1,435,038)
Accumulated net income /deficit	407,959	(60,854)
Total stockholders' deficit	(237,820)	(1,251,106)
Total liabilities and shareholder deficit	<u>\$ 109,099</u>	<u>\$ 24,590</u>

The accompanying notes are an integral part of these financial statements

Total expenses	<u>45,733</u>	<u>13,160</u>	<u>116,685</u>	<u>13,160</u>
Income (loss) from operations	543,267		472,315	
Other Income (loss)		-		-
Interest Expense	(2,816)	(2,155)	(64,356)	(2,155)
Derivative Expenses	-		-	
Gain (loss) on derivative revaluation	-		-	
Total Other Income (loss)	<u>(2,816)</u>	<u>(2,155)</u>	<u>(64,356)</u>	<u>\$ (2,155)</u>
Provision for income taxes	-	-	-	-
Net earnings (loss)	<u><u>\$ 540,451</u></u>	<u><u>\$ (2,155)</u></u>	<u><u>\$ 407,959</u></u>	<u><u>\$ (2,155)</u></u>

Net income (loss) per share of common stock outstanding:	0.010	(0.001)	0.008	(0.003)
Basic	50,014,851	83,685,581	50,014,851	83,685,581
Diluted				
Weighted average common shares outstanding:				
Basic and diluted	83,685,581	83,685,581	83,685,581	83,685,581

The accompanying notes are an integral part of these financial statements

Preferred Stock		Common Stock		Additional	Accumulated	Total
Shares	Amount	Shares	Amount	Paid-in Capital	Deficit	Stockholders' Deficit
161,100	\$ 161,100	83,526,373	\$ 83,527	\$ -	\$ (44,699)	\$ 199,928
-	-	-	-	-	(14,000)	(14,000)
161,100	161,100	83,526,373	83,527	-	(58,699)	185,928
		159,208	159	(1,435,038)		(1,434,879)
-	-	-	-	-	(2,155)	(2,155)
161,100	\$ 161,100	83,685,581	\$ 83,686	\$ (1,435,038)	\$ (60,854)	\$ (1,251,106)
261,100	\$261,100	50,014,851	50,014	(1019893)	(237820)	(1257713)
					407,959	407,959
261,100	\$261,100	50,014,851	50,014	(1019893)	170139	(849754)

**AppSwarm, Inc.****Statements of Cash Flow (Unaudited)**

	Year Ended December 31,	
	2016	2015
Cash flows from operating activities:		
Net income (loss)	\$407,959	(\$2,155)
Changes in operating assets and liabilities		
Increase (decrease) other current liabilities	(\$631,136)	(\$11,005)
Net cash used by operating activities	(\$223,177)	(\$13,160)
Net increase (decrease) in cash		
Cash, beginning of period	1,159	-
Cash, end of period	4,099	1,159
Supplemental disclosure of cash flow information		
Cash paid for interest	-	-
Cash paid for taxes	-	-

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

## **APPSWARM, INC.**

### **NOTES TO FINANCIAL STATEMENTS (UNAUDITED) FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2016 AND 2015**

#### **NOTE 1 – ORGANIZATION AND GOING CONCERN**

##### **Organization**

AppSwarm, Inc. (“AppSwarm”, the “Company”, “us”, “we”, or “our”) is a Nevada Corporation, established in July, 2001. The Company operated [www.joyridemotors.com](http://www.joyridemotors.com) which was owned by another party. The Company no longer operates joyridemotors.com.

On July 31, 2015, the Company and AppSwarm, Inc. entered, and on September 29, 2015, closed, a Reorganization Agreement (the “Merger”). Pursuant to the terms of the Merger, San West, Inc. changed its corporate name to AppSwarm, Inc., completed a 1 for 3000 reverse share split (the “**Reverse Split**”) effected by the Board on August 4, 2015 and made effective by FINRA on September 25, 2015, and issued shares to the shareholders of AppSwarm, Inc. such that they acquired approximately 80% of the issued and outstanding common stock. In addition, Mr. Frank Drechsler has resigned as the President and CEO of the Corporation, but will stay on as the Chairman of The Board for a limited time to see the successful transition of the company's books, records and anything else needed to ensure a smooth transition of the company. The Board of Directors appointed Mr. Ron Brewer as President, Chief Executive Officer, Secretary and Chief Financial Officer.

Prior to the Reverse Split, the Company had 477,624,086 common shares outstanding or approximately 159,208 common shares on a post Reverse Split basis. The post Reverse Split net shares issued pursuant to the Merger totaled 105,426,373 common shares, including 83,526,373 common shares to the shareholders of AppSwarm, Inc. and 21,900,000 common shares issued pursuant to the conversion of debt at \$0.002 and totaling \$43,800. As a result, the shareholders of AppSwarm, Inc. held approximately 79.1% of the post Reverse Split and Merger shares issued and outstanding with total shares outstanding totaling 105,585,581.

The terms and conditions of the Merger gave rise to reverse merger accounting whereby AppSwarm, Inc. was deemed the acquirer for accounting purposes. Consequently, the assets and liabilities and the historical operations of AppSwarm, Inc. prior to the Merger are reflected in the financial statements and have been recorded at the historical cost basis of AppSwarm, Inc. Our financial statements include the assets and liabilities of both the Company and AppSwarm, Inc.

Established in 2011, AppSwarm™ is an application incubation firm dedicated to acquiring applications for all forms of devices. AppSwarm offers complete, end-to-end services for mobile application development across all major platforms including Apple iPhone, RIM's BlackBerry, Google's Android, and Microsoft's Windows Mobile. AppSwarm has agreements in place with all of the major application stores and is able to assist with application development and act as a strategic partner to facilitate increased visibility thus allowing most small firms, young entrepreneurs and application developers the resources they otherwise would not have to market their applications effectively.

##### **Going Concern**

The Company reached profitability in 2016. As of December 31, 2015, the Company has an accumulated deficit of \$237,820 and negative working capital of \$1,019,893. The Company has and will continue to use capital to maintain operations and grow. These factors raise concern about the ability of the Company to continue as a going concern. In this regard, management sees the continuing profitability in 2017 and foresees raising any necessary growth funds not provided by operations, through loans or through additional sales of their common

stock. There is no assurance that the Company will be able to sustain the profitability of 2016 without operational growth.

The accompanying financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America, which contemplate continuation of the Company as a going concern. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might result from the going concern uncertainty.

## **NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **Basis of Presentation**

The unaudited financial statements of AppSwarm, Inc. as of December 31, 2016 and 2015 have been prepared in accordance with accounting principles generally accepted in the United States. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation of the financial information have been included. The Company did not record an income tax provision during the periods presented due to net taxable losses.

### **Accounting estimates**

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

### **Cash and cash equivalents**

For purposes of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents. Cash and cash equivalents may at times exceed federally insured limits. To minimize this risk, the Company places its cash and cash equivalents with high credit quality institutions.

### **Accounts Receivable**

Accounts receivable are reported at the customers' outstanding balances. The Company does not have a history of significant bad debt and has not recorded any allowance for doubtful accounts. Interest is not accrued on overdue accounts receivable. The Company evaluates receivables on a regular basis for potential reserve.

### **Fixed Assets**

Property and equipment are stated at cost. Major renewals and improvements are charged to the asset accounts while replacements, maintenance and repairs, which do not improve or extend the lives of the respective assets, are expensed. At the time property and equipment are retired or otherwise disposed of, the asset and related accumulated depreciation accounts are relieved of the applicable amounts. Gains or losses from retirements or sales are credited or charged to income.

Depreciation is computed for financial statement purposes on a straight-line basis over estimated useful lives of the related assets. The estimated useful lives of depreciable assets are:

Computer equipment and software:	3 years
Furniture and fixtures:	5 – 7 years
Machinery and equipment :	5 – 7 years

Leasehold improvements: 7 years

For federal income tax purposes, depreciation is computed under the modified accelerated cost recovery system. For book purposes, depreciation is computed under the straight-line method.

## **Revenue**

Revenues are recognized when persuasive evidence of an arrangement exists, the fees are fixed or determinable, the product or service has been delivered and collectability is reasonably assured. We consider the terms of each arrangement to determine the appropriate accounting treatment.

Our application revenue models are comprised of the following:

- Freemium and Free-to-Play - The freemium strategy (and more recently free-to-play model) have been proven to be very effective ways to monetize apps. By utilizing the freemium model, users can download our app for free, but they cannot access the full set of features without upgrading to the paid version.
- In-App Purchases - Offering in-app purchases (IAP) to monetize apps. We will combine with free or paid apps to generate increased revenue. The dominant business model in the mobile space is currently free apps with in-app purchases.
- Advertising - The app is completely free by using advertisements to generate revenue. Like in-app purchases, advertising is a monetization model that we will combine with freemium or free-to-play apps.
- Subscriptions - Subscription apps offer users access to a particular service or content for a weekly, monthly, or annual fee.
- Sponsorship (Incentivized Advertising) - This entails partnering with advertisers, who provide users with rewards for completing certain in-app actions. In this model, brands and agencies pay to be part of an incentive system. Our apps can earn money by taking a share of the revenue from redeemed rewards. This way, we can incorporate advertising into our app that actually enhances the app's ability to engage users.
- Product Placements
- SAS Technology Licensing - The licensing of our technology to other developers and companies.

## **Advertising Costs**

During the years ended December 31, 2016 and 2015, the Company did not incur any advertising expense.

## **Fair Value of Financial Instruments**

We adopted ASC Topic 820 for financial instruments measured as fair value on a recurring basis. ASC Topic 820 defines fair value, established a framework for measuring fair value in accordance with accounting principles generally accepted in the United States and expands disclosures about fair value measurements.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC Topic 820 established a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). These tiers include:

Level 1, defined as observable inputs such as quoted prices for identical instruments in active markets;



Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and

Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Disclosures about fair value of financial instruments, requires disclosure of the fair value information, whether or not recognized in the balance sheet, where it is practicable to estimate that value. As of September 30, 2015, the carrying amounts reported in the condensed consolidated balance sheets for cash and cash equivalents, accounts receivable, accounts payable, accrued expenses, and other current assets and liabilities approximate fair value due to relatively short periods to maturity.

## **Income Taxes**

The Company accounts for income taxes using the asset and liability method. Under the asset and liability method, deferred tax assets and liabilities are recognized for the future tax consequences attributed to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and tax credits and loss carry-forwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences and carry-forwards are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is established when necessary to reduce deferred tax assets to amounts expected to be realized. The Company reports a liability for unrecognized tax benefits resulting from uncertain income tax positions, if any, taken or expected to be taken in an income tax return. Estimated interest and penalties are recorded as a component of interest expense or other expense, respectively.

## **Net Income (Loss) Per Share**

The computation of basic earnings per share ("EPS") is based on the weighted average number of shares that were outstanding during the period, including shares of common stock that are issuable at the end of the reporting period. The computation of diluted EPS is based on the number of basic weighted-average shares outstanding plus the number of common shares that would be issued assuming the exercise of all potentially dilutive common shares outstanding using the treasury stock method. The computation of diluted net income per share does not assume conversion, exercise or contingent issuance of securities that would have an antidilutive effect on earnings per share. Therefore, when calculating EPS if the Company experienced a loss, there is no inclusion of dilutive securities as their inclusion in the EPS calculation is antidilutive. Furthermore, options and warrants will have a dilutive effect under the treasury stock method only when the average market price of the common stock during the period exceeds the exercise price of the options or warrants (they are in the money).

Following is the computation of basic and diluted net loss per share for the years ended December 31, 2016 and 2015:

Weighted average number of common shares outstanding - Basic and diluted	50,014,851	83,685,581	50,014,841	83,685,581
Basic EPS	<u>\$ 0.011</u>	<u>\$ (0.00)</u>	<u>\$ 0.009</u>	<u>\$ (0.00)</u>

The shares listed below represent the shares issuable upon conversion of convertible debt and Series A preferred stock:

Convertible debt	171,300	408,981	171,300	408,981
Series A preferred stock	261,000	161,000	216,000	161,000

## Recent Accounting Pronouncements

In September 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2015-16, Business Combinations (Topic 805). This ASU eliminates the requirement for retrospective application of measurement period adjustments relating to provisional amounts recorded in a business combination as of the acquisition date. The amendments in this update require an entity to present separately on the face of the income statement or disclose in the notes the portion of the amount recorded in current-period earnings by line item that would have been recorded in previous reporting periods if the adjustment to the provisional amounts had been recognized as of the acquisition date. For public business entities, the amendments will be effective for fiscal years beginning after December 15, 2015. Early adoption is permitted. The Company does not expect this accounting update to have a material effect on its consolidated financial statements in future periods, although that could change.

In April 2015, the FASB issued ASU 2015-05, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40). This ASU provides guidance about whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license, then the software license element of the arrangement should be accounted for consistent with the acquisition of other software licenses. If a cloud computing arrangement does not include a software license, the arrangement should be accounted for as a service contract. For public business entities, the amendments will be effective for annual periods, including interim periods within those annual periods, beginning after December 15, 2015. Early adoption is permitted.

In April 2015, the FASB issued ASU 2015-03, Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs, which requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. This ASU requires retrospective adoption and will be effective for fiscal years beginning after December 15, 2015 and for interim periods within those fiscal years. We expect the adoption of this guidance will not have a material impact on our financial statements.

In February 2015, the FASB issued ASU 2015-02, "Amendments to the Consolidation Analysis", which amends the consolidation requirements in ASC 810 and significantly changes the consolidation analysis required under U.S. GAAP relating to whether or not to consolidate certain legal entities. Early adoption is permitted. The Company's effective date for adoption is January 1, 2016. The Company does not expect this accounting update to have a material effect on its consolidated financial statements in future periods, although that could change.

In January 2015, the FASB issued ASU 2015-01, "Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items", which eliminates the concept from U.S. GAAP the concept of an extraordinary item. Under the ASU, an entity will no longer (1) segregate an extraordinary item from the results of ordinary operations; (2) separately present an extraordinary item on its income statement, net of tax, after income from continuing operations; or (3) disclose income taxes and earnings-per-share data applicable to an extraordinary item. Early adoption is permitted. The Company's effective date for adoption is January 1, 2016. The Company does not expect this accounting update to have a material effect on its consolidated financial statements in future periods, although that could change.

In August 2014, the FASB issued ASU No. 2014-15, Presentation of Financial Statements - Going Concern (Subtopic 205 40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern, which is intended to define management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern and to provide related footnote disclosures. Specifically, ASU 2014-15 provides a definition of the term substantial doubt and requires an assessment for a period of one year after the date that the financial statements are issued (or available to be issued). It also requires certain disclosures when substantial doubt is alleviated as a result of consideration of management's plans and requires an express statement and other disclosures when substantial doubt is not alleviated. The new standard will be effective for reporting periods beginning after December 15, 2016, with early adoption permitted. Management does not expect the adoption of ASU 2014-15 to have a material impact on our financial statements and disclosures.

In May 2014, the FASB issued ASU 2014-09, Revenue from Contracts with Customers (ASU 2014-09), which supersedes most existing revenue recognition guidance under US GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP. The standard is effective for annual periods beginning after December 15, 2016, and interim periods therein, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a retrospective approach with the cumulative effect of initially adopting ASU 2014-09 recognized at the date of adoption (which includes additional footnote disclosures). On July 9, 2015, the FASB voted to defer the effective date of the new revenue recognition standard by one year. Based on the Board's decision, public organizations would apply the new revenue standard to annual reporting periods beginning after December 15, 2017. We are currently evaluating the impact of the pending adoption of ASU 2014-09 on our consolidated financial statements and have not yet determined the method by which we will adopt the standard.

We review new accounting standards as issued. Although some of these accounting standards issued or effective after the end of our previous fiscal year may be applicable to us, we have not identified any standards that we believe merit further discussion. We believe that none of the new standards will have a significant impact on our financial statements.

### **NOTE 3 - LEGAL PROCEEDINGS**

Express Working Capital, LLC v. San West, Inc. d/b/a Buggy World/County Imports, Frank J. Drechsler and Vladimir Cood, et. al. (116th Judicial District Court, Dallas County, Texas, Cause No. DC 12-05315). On May 14, 2012, Express Working Capital, LLC ("EWC") commenced civil actions against the Company in the 116th Judicial District Court, Dallas County, Texas as a result of a contract breach stemming from nonpayment of amounts due under the Future Receivables Sale Agreement (the "FRSA") entered into on January 9, 2012. On October 2, 2014, the Company reached an agreement whereby the Company executed a promissory note to EWC for the equivalent amount then due under the FRSA, or \$195,644, see "NOTE 8 – PROMISSORY NOTES, Notes Payable - \$169,644" for additional disclosure.

#### **NOTE 4 – OTHER CURRENT ASSETS**

NONE

Other current assets of \$109,099 and \$24,590 as of December 31, 2016 and December 31, 2015, respectively, are comprised of deposits, intellectual properties and revenue.

#### **NOTE 5 – FIXED ASSETS**

Furniture and equipment are depreciated on a straight line basis over their estimated useful life from 3 – 7 years. A majority of the fixed assets listed were acquired in the purchase of Buggy World in August of 2008. Fixed assets consisted of the following at December 31, 2016 and December 31, 2015:

During the year ended December 31, 2015, The Company fully depreciated its fixed assets as a result of normal depreciation which happened to coincide with the Merger. As of December 31, 2016, the Company has only fully depreciated fixed assets.

#### **NOTE 6 - INTANGIBLE ASSET**

Intangible asset consists of five mobile gaming apps acquired and five e-commerce web sites, which are fully, developed and revenue producing.

#### **NOTE 7 – ACCOUNTS PAYABLE AND OTHER CURRENT LIABILITIES**

Accounts payable and other current liabilities as of December 31, 2016 and December 31, 2015 consisted of the following:

Trade	5,975	-	
Professional	-	-	-
Total accounts payable	<u>\$ 5,975</u>	<u>-</u>	<u>\$ 5,975</u>
Other Current Liabilities:			
Capital lease	\$ -	-	
Revolving credit	-	-	
Accrued Interest	64,356	2,155	62,201
Other payables		1,100	(1,100)
Customer Deposits	-	14,946	14,946
Legal settlement	-	8,000	(8,000)
Shareholder advances	-	-	
Total other current liabilities	<u>\$ 64,356</u>	<u>\$ 26,201</u>	<u>\$ 68,047</u>

1) Accrued interest. See "NOTE 8 - PROMISSORY NOTES".

2) Legal settlement. In February 2014, Cambio Enterprises and the Company entered into a settlement agreement whereby all claims by Cambio were settled for payments to total \$25,000. See "NOTE 3 - LEGAL PROCEEDINGS".

## **NOTE 8 – PROMISSORY NOTES**

As of December 31, 2015 and December 31, 2016, the Company's promissory notes consisted of the following principle balances:

Convertible promissory notes:						
Amalfi	\$ 74,000	\$ 106,380	\$ 180,380	-	-	-
Amalfi	80,000	120,242	200,242	-	-	-
Bailey	48,000	-	48,000	48,000		-
Legal Tender LLC				10,000		
Seacoast Advisors	190,481	25,405	215,886	-		-
Other	16,000	5,614	21,614			
Total convertible promissory notes	408,481	257,641	666,122	58,000	-	-
Notes payable	169,644	7,953	177,597	169,644	1,434	171,078
Loans from shareholder	59,560	3,038	62,598	59,560	1,209	60,769
Total	<u>\$ 637,685</u>	<u>\$ 268,632</u>	<u>\$ 906,317</u>	<u>\$ 287,204</u>	<u>\$ 2,643</u>	<u>\$ 231,847</u>

### **Bailey - \$48,000**

On August 5, 2014, Christopher Bailey was issued a promissory note for \$48,000 in settlement of all debts owed him by Appswarm, Inc. on or before July 27, 2014. The note bears no interest and is due on or before August 5, 2015. The note may be converted @ \$.10 per share when Appswarm, Inc. becomes public or merges with a public company. The holder may not hold more than 4.99% of the outstanding common stock.

### **Legal Tender LLC - \$10,000**

During the year ended December 31, 2016, Legal Tender LLC loaned the Company \$10,000. The loan consisted of two wires during the month of December as a promissory note bearing 8% interest.

### **Notes Payable - \$169,644**

On January 9, 2012, the Company entered into a Future Receivables Sale Agreement ("FRSA") between the Company and Express Working Capital, LLC. Under the FRSA, the Company received proceeds of \$199,600 and agreed to repay \$274,000 face amount by remitting 18% of our daily sales proceeds to EWC until such time as the face amount has been repaid. The FRSA provides a security interest in all the Company's assets and future receivables.

On May 14, 2012, EWC initiated litigation against the Company and other related parties as a result of a contract breach stemming from nonpayment of amounts due under the FRSA. On October 24, 2013, EWC and the Company reached an agreement whereby the Company executed a promissory note to EWC for the equivalent amount then due under the FRSA, or \$195,644. Under the terms of the note, if at October 31, 2014 there remains a balance due, the balance due will bear interest of 5% from November 1, 2014 through October 31, 2015 at which time if there remains a balance the balance due will bear interest of 10% until the maturity date on October 31,

2018. The note is repayable according to an Escalator Payment Schedule and Balloon Payment which requires a minimum monthly payment of \$1,100 with any remaining balance due on October 31, 2018.

## **NOTE 9 – CAPITAL STOCK**

### **Preferred Stock**

As of December 31, 2016, the Company has authorized 10,000,000 shares of preferred stock and 261,100 shares of non-cumulative Series A & B preferred stock issued and outstanding. The Series A preferred stock is convertible into shares of common stock at the option of the holder. The conversion price for each share of the Series A preferred stock is 85% of the 20-day trailing, lowest, closing bid price of the Company's common stock during such 20-day period prior to the date of conversion. Based on a conversion price of \$0.77, the \$161,100 of Series A preferred stock outstanding as of September 30, 2015 is convertible into 209,091 shares of common stock.

### **Common Stock**

On September 29, 2015, the Company and AppSwarm, Inc. closed the Merger resulting in the 1 for 3,000 Reverse Split and issuance of 83,526,373 common shares. Due to reverse merger accounting, the 159,208 common shares outstanding prior to the merger were deemed issued on September 29, 2015 for the book value of San West, Inc.

During the year ended December 31, 2014, the Company issued 72,000 shares to Mr. Drechsler upon the conversion of debt, See "NOTE 8 – PROMISSORY NOTES, *Loans from Shareholder - \$59,560*" above for more information.

### **2009 Long Term Equity Incentive Plan**

On July 21, 2009, the Board of Directors of the Company adopted the 2009 Long Term Equity Incentive Plan (the "Stock Incentive Plan"). The Stock Incentive Plan provides for equity incentive benefits to awardees in the form of option rights or appreciation rights, restricted stock, restricted stock units, and/or performance shares or performance units. The total number of shares of Common Stock which may be awarded under the Plan is 50,000,000. If any awarded shares are forfeited, they become available for future issuance. An annual aggregate limit of 5,000,000 shares is set for any participant. The terms of each award are determined by the board and are to be evidenced in writing. No equity awards have been issued under the 2009 Long Term Equity Incentive Plan as of the date of this report.

### **2011 Non-Employee Consultants Retainer Stock Plan**

On April 19, 2011, the Company resolved to adopt the Non-Employee Consultants Retainer Stock Plan for the Year 2011. The purpose of this Plan is to enable the Company, to promote the interests of the Company and its stockholders by attracting and retaining non-employee consultants capable of furthering the future success of the Company and by aligning their economic interests more closely with those of the Company's stockholders, by paying their retainer or fees in the form of shares of the Company's common stock. 10,000,000 shares of common stock are registered to this plan at an offering price of \$33. The Plan shall expire on April 19, 2021. No equity awards have been issued under the Non-Employee Consultants Retainer Stock Plan as of the date of this report.

## **NOTE 10 –MERGER**

On July 31, 2015, the Company and AppSwarm, Inc. entered, and on September 29, 2015, closed, a Reorganization Agreement (the "Merger"). Pursuant to the terms of the Merger, San West, Inc. changed its corporate name to AppSwarm, Inc., completed a 1 for 3000 reverse share split (the "**Reverse Split**") effected by the

Board on August 4, 2015 and made effective by FINRA on September 25, 2015, and issued shares to the shareholders of AppSwarm, Inc. such that they acquired approximately 80% of the issued and outstanding common stock.

Prior to the Reverse Split, the Company had 477,624,086 common shares outstanding or approximately 159,208 common shares on a post Reverse Split basis. The post Reverse Split net shares issued pursuant to the Merger totaled 105,426,373 common shares, including 83,526,373 common shares to the shareholders of AppSwarm, Inc. and 21,900,000 common shares issued pursuant to the conversion of debt at \$0.002 and totaling \$43,800. As a result, the shareholders of AppSwarm, Inc. held approximately 79.1% of the post Reverse Split and Merger shares issued and outstanding with total shares outstanding totaling 105,585,581.

The terms and conditions of the Merger gave rise to reverse merger accounting whereby AppSwarm, Inc. was deemed the acquirer for accounting purposes. Consequently, the assets and liabilities and the historical operations of AppSwarm, Inc. prior to the Merger are reflected in the financial statements and have been recorded at the historical cost basis of AppSwarm, Inc. Our financial statements include the assets and liabilities of both the Company and AppSwarm, Inc. The Merger was accounted for under recapitalization accounting whereby the equity of AppSwarm is presented as the equity of the combined enterprise and the capital account of San West is adjusted to reflect the par value of the outstanding stock of the AppSwarm after giving effect to the number of shares issued in the Merger. Shares retained by the San West shareholders (159,208 common shares) are reflected as an issuance as of the reverse merger date (September 29, 2015) for the historical amount of the net liabilities of San West.

The following unaudited financial information has been developed by application of pro forma adjustments to the historical financial statements of San West, Inc. appearing elsewhere in this Current Report. The unaudited pro forma information gives effect to the Merger which has been assumed to have occurred on September 30, 2015 for purposes of the statement of operations. The Company evaluated the existence of intangible assets that should be recognized in business combinations, pursuant to ASC 805-20-25-4. No intangible assets were identified.

The unaudited pro forma financial information is presented for informational purposes only and does not purport to represent what the results of operations or financial position of the Company would have been had the transactions described above actually occurred on the dates indicated, nor do they purport to project the financial condition of the Company for any future period or as of any future date. The unaudited pro forma financial information should be read in conjunction with the Company's financial statements and notes thereto included elsewhere in this Current Report.

## **NOTE 11 – SUBSEQUENT EVENTS**

Management has reviewed material events subsequent of the quarterly period ended June 30, 2016 and prior to the filing of financial statements in accordance with FASB ASC 855 “Subsequent Events”.

On October 27, the Company completed the merger and acquisition Appswarm Corp., a Wyoming corporation. The name change is effective to Appswarm Corp and the Company expects the name change to be completed by FINRA on November 15, 2016. The transaction created a change of control and adds several mobile applications and a platform to the company assets. 100,000 Series B preferred shares were issued for the acquisition with stated value of \$1,000,000. The trading symbol will not change.

On November 2, 2015, as contemplated by the Merger, the Company issued 21,900,000 shares of common stock upon the conversion of Amalfi debt at the rate of \$0.002 per share or \$43,800.

As previously disclosed in a press release dated September 29, 2015 Mr. Frank Drechsler has resigned as the President and CEO of the Corporation.

On November 23, 2015 Frank Drechsler tendered his resignation from the board of directors

In October 2016, the Company was notified that 67,500,000 common shares issued in the acquisition in 2015 had been returned and cancelled. These shares were issued at par and will have a de minimis impact on the balance sheet for the year ending December 31, 2016.

## **INFORMATION AND DISCLOSURE STATEMENT**

### **Item 1: The Exact Name of the Issuer and its Predecessor.**

AppSwarm, Corp., formerly San West, Inc.

San West, Inc., formerly Human Biosystems, Inc., (until July 31, 2009) formerly Hyperbaric Systems, Inc. (until October 29, 2002), (hereinafter referred to as the "Issuer" or the "Company")

### **Item 2: The Principal Executive Office of the Issuer.**

AppSwarm, Corp.  
401 South Boston, Suite 500  
Tulsa, OK 74105  
Office: (888) 886-8583

### **Item 3. Security Information.**

Security Symbol: SWRM  
CUSIP Number – 03834T 10 2  
Common Stock - \$.001  
Preferred Stock – \$.001  
Total common shares authorized 800,000,000 @ December 31, 2016  
Total common shares outstanding 50,014,851 @ December 31, 2016  
Total preferred shares authorized 10,000,000 @ December 31, 2016  
Total preferred shares outstanding 161,000 @ December 31, 2016

#### **Transfer Agent**

First American Stock Transfer  
4747 N. 7th St.  
Suite 170  
Phoenix, AZ, 85014  
602-485-1346  
www.FirstAmericanStock.com  
Office: 972-612-4120 Fax: 972-612-4122

First American Stock Transfer is currently registered under the Exchange Act and is an SEC approved transfer agent.

List any restrictions on the transfer of security: None.



Describe any trading suspension orders issued by the SEC in the past 12 months. None.

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

On July 31, 2015, the Company and AppSwarm, Inc. entered, and on September 29, 2015, closed, a Reorganization Agreement (the “Merger”). Pursuant to the terms of the Merger, San West, Inc. changed its corporate name to AppSwarm, Inc., completed a 1 for 3,000 reverse share split (the “**Reverse Split**”) effected by the Board on August 4, 2015 and made effective by FINRA on September 25, 2015, and issued shares to the shareholders of AppSwarm, Inc. such that they acquired approximately 80% of the issued and outstanding common stock. Prior to the Reverse Split, the Company had 477,624,086 common shares outstanding or approximately 160,581 common shares on a post Reverse Split basis. The post Reverse Split net shares issued pursuant to the Merger totaled 105,560,581 common shares, including 83,500,000 common shares to the shareholders of AppSwarm, Inc. and 21,900,000 common shares issued pursuant to the conversion of debt at \$0.002 and totaling \$43,800. As a result, the shareholders of AppSwarm, Inc. held approximately 79.1% of the post Reverse Split and Merger shares issued and outstanding with total shares outstanding totaling 105,560,581.

Post reverse split

- (i) Authorized – 800,000,000 common at \$.001 par value, 10,000,000 Series A Preferred at \$.001.
- (ii) Total Issued & Outstanding – 105,560,581 common, 161,100 Series A Preferred.
- (iii) Restricted Common Issued- 83,500,000 common.
- (iv) Free Trading Common Issued-21,900,000-common

#### Item 5. Financial Statements

Attached above.

#### Item 6. Describe the Issuer’s Business, Products and Services.

##### A. A description of the issuer’s business operations;

Established in 2011, AppSwarm™ is an application incubation firm dedicated to acquiring applications for all forms of devices. AppSwarm offers complete, end-to-end services for mobile application development across all major platforms including Apple iPhone, RIM’s BlackBerry, Google’s Android, and Microsoft’s Windows Mobile. AppSwarm has agreements in place with all of the major application stores and is able to assist with application development and act as a strategic partner to facilitate increased visibility thus allowing most small firms, young entrepreneurs and application developers the resources they otherwise would not have to market their applications effectively.

The issuer is not a shell company (as defined in Rule 12b-2 of the Exchange Act).

##### B. Date and State (or Jurisdiction) of Incorporation;

The Issuer was incorporated in the State of Nevada on July 17, 2001.

##### C. the issuer’s primary and secondary SIC Codes;

Primary Code: 7371

Secondary Code : None

D. the issuers year end date;

December 31

E. principle products or services, and their markets;

**App Swarm™** offers complete, end-to-end services for mobile application development across all major platforms including Apple iPhone, BlackBerry, Google Android, as well as Microsoft Windows Mobile. With our extensive experience in the mobile space we cannot just give you a technical hand but can be your strategic partner in leveraging this dynamic mobile world towards increased business efficiency and effectiveness.

We have plunged into a journey to tap the potential of mobile computing and smart phones. We offer complete, end-to-end services for mobile application development across all major platforms including Apple iPhone, RIM's BlackBerry, Google's Android, as well as Microsoft's Windows Mobile. With our extensive experience in the mobile space we cannot just give applications a technical hand, but can be a strategic partner in leveraging this dynamic mobile world towards increased business efficiency and effectiveness.

#### Our Industry

The market we enter is driven by the rapid increase in the use of smartphones, tablets and other mobile devices. This growth has exploded since Apple launched the iPhone. The market forecasts show healthy growth numbers. On the next several pages are charts, graphs, and market information to support the growth and demand of the app market. A huge market is just starting to come on line and pick up speed as the data above shows. We are entering at the early stage of a multibillion dollar market with a 158% projected growth rate. Despite the global slowdown of the economy the demand for paid mobile applications is growing at an impressive speed. The main driver is still the growing number of smartphone users with pre-installed app stores. The majority of paid downloads are being generated by 5 app stores: Apple App Store, Google Play, BlackBerry App World, Nokia Ovi Store and Windows Phone Store. Strong growth is expected for the devices that will use the apps we hope to develop or acquire. Projections as seen below show over a billion new devices will be sold through 2017 that will be compatible for our potential product.

An analysis from Gartner below shows similar growth:

Device Type	2013	2014	2015
Traditional PCs (Desk-Based and Notebook)	296,131	276,221	261,657
Ultramobiles, Premium	21,517	32,251	55,032
PC Market Total	317,648	308,472	316,689
Tablets	206,807	256,308	320,964

Mobile Phones	1,806,964	1,862,766	1,946,456
Other Ultramobiles (Hybrid and Clamshell)	2,981	5,381	7,645
Total	2,334,400	2,432,927	2,591,753

Worldwide Device Shipments by Segment (Thousands of Units)

- 50% of U.S. cellphone owners (42% of all U.S. adults) have apps on their devices.
- Mobile app downloads to increase to 25 billion by 2015, from only 2.6 billion in 2009.
- By 2016, more than 44 billion apps will have been downloaded.
  - Global population ~7 billion so 6 mobile app downloads for every man, woman and child.
- Average smartphone had 22 apps; feature phone 10 apps.
  - Most popular apps: Facebook, Google Maps and The Weather Channel (TWC)
  - Most popular categories: Games, news, maps, social networking and music

Source ~ CTIA, The Wireless Association®

- To reach 50 million users; Radio took 38 years, TV 13 years, Internet took 4 years, iPod took 3 years. Facebook reached over 200 million users in less than 1 year. iOS application downloads reached 1 billion in 9 months.
- In 2013 an estimated \$29.5 Billion was spent on Apps
- More video is uploaded to YouTube in one month than the 3 major US networks created in 60 years
- A new member joins LinkedIn every second

## Our Business Plan

As consumer trends continue to transition largely in favor of tablets and smartphones, so goes the enormous growth potential in the environs of mobile applications. At AppSwarm, we give thanks to each and every app idea we receive, but we also understand the unique challenges presented within the mobile market. In order to best serve the needs of our investors and drive profitable growth, it is preeminent that we carefully vet the concepts we receive and select only those we believe may deliver the greatest financial return. We use an accomplished approach to address the needs of all parties involved in our app incubation endeavors.

We've developed a proprietary screening process we call "The Swarm." This selective screening process encompasses many stratum, and allows us to thoroughly review the novelty of each app idea we receive. While the exact technique we use to make our final selections is confidential, we believe the overall process represents a key benefit for AppSwarm and app developers alike.

While we'd love to incubate every concept presented, only the very best app ideas represent real growth potential. A number of different factors determine whether or not we feel comfortable pursuing the development of any one particular app.

www.app-swarm.com

7. Describe the Issuer's Facilities;

The Company leases its facilities at 401 South Boston, Suite 500, Tulsa, OK 74103 (888)886-8583. This location is office suites facility where we have one office and access to conference rooms.

We are on a one year lease at \$450 plus fees for utilization of supplies and equipment.

8. Officers, Directors, and Control Persons.

A. Names of Officers, Directors and Control Persons.

<u>Name</u>		<u>Position(s)</u>	<u>Position(s) Held Since</u>
Ron Brewer	66	Chief Executive Officer, Principle Accounting Officer, Secretary and Chairman of the Board	2015

<u>Name</u>		<u>Position(s)</u>	
John Rabbitt	69	Chief Financial Officer	2016

B. Legal/Disciplinary History.

None.

C. Beneficial Shareholders.

None

9. Third Party Providers

Counsel:

MORGAN E. PETITTI ATTORNEY AT LAW  
114 BARRINGTON TOWN SQUARE SUITE 159  
AURORA, OHIO 44202

Certified Public Accountant:

This does not apply to the company

Public Relations Consultant.

This does not apply to the company.

Any other advisor (s) that assisted, advised, prepared or provided information "with respect to this disclosure documentation:

This does not apply to the company.

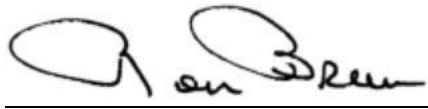
Consulting Agreements.

On September 30, 2015 AppSwarm, Inc. A Nevada Corporation ("Client") entered into a written Services and Consultant Agreement with Cherokee Holdings LLC, a Wyoming LLC for the period which commenced September 30, 2015 and shall terminate on September 30, 2017 to facilitate corporate guidance, commercial marketing, Social Networking, Search Engine Optimization, Website design and maintenance, Graphic Design, Video Production services that include concept-to-creation media that is rooted in truly innovative, contemporary and target-focused media to fulfill any needs. From web commercials, to full scale production, Business Solutions, Consumer Analysis, Market Data Research, Campaigns & Digital Promotion, Media Buying, Email & Newsletter Campaigns, Site Analysis & Planning, Event Coordination, Brand Management, Advertising, application development as well as other advisory services requested by the client. Prior to the commencement of the Services and for services already rendered, Consultant shall receive the following compensation from Client: Consultant shall be compensated 2,500,000 shares of its common stock. The initial stock payment shall be considered fully earned and payable upon countersigned execution of this contract. Further, Consultant shall receive the sum of two thousand dollars (\$2,000.00) per month. Provided there are no breaches over the course of the agreement, consultant has fully earned \$48,000 as of the execution date of this agreement. Terminated August 2016.

CERTIFICATION

I, Ron Brewer, certify that:

1. I have reviewed this quarterly disclosure statement of AppSwarm, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

A handwritten signature in black ink, appearing to read "Ron Brewer", is positioned above a horizontal line.

Ron Brewer, President, CEO and Director

Dated: December 31, 2016