WHEREVERTV BROADCASTING CORPORATION

AND SUBSIDIARY

FINANCIAL STATEMENTS

AT SEPTEMBER 30, 2016 (UNAUDITED)

AND FOR NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015 (UNAUDITED)

WHEREVERTV BROADCASTING CORPORATION

AND SUBSIDIARY

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WHEREVERTV BROADCASTING CORPORATION AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS (UNAUDITED)

	September 30, 2016 (Unaudited)	December 31, 2015
ASSETS		
Current Assets		
Cash	$ 103,344	$ 255,551
Prepaid Rent	10,000	-
Total Current Assets	113,344	255,551
Long Term Assets		
Furniture and Equipment(net)	32,022	30,337
Patent Costs(net)	159,126	165,462
Security Deposits	12,500	5,000
Total Long Term Assets	203,648	200,799
Total Assets	$ 316,992	$ 456,350
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Liabilities		
Current Liabilities:		
Accounts Payable	$ 274,140	$ 280,426
Credit Cards Payable	-	9,093
Accrued Liabilities	99,753	80,298
Payroll Taxes Payable	8,198	-
Notes Payable	349,226	358,726
Accrued Interest	326,096	266,199
Loan From Stockholders	500,038	299,461
Total Current Liabilities	1,557,451	1,294,203
Total Liabilities	1,557,451	1,294,203
Commitments and Contingencies (notes 1 and 11)		
STOCKHOLDERS' DEFICIT:		
Preferred Stock - $.0001 par value, $.001 liquidation value, 10,000,000 authorized shares, 500,000 issued and outstanding	500	-
Common Stock - $.0001 par value, 300,000,000 authorized shares, 66,720,841 and 53,687,508 issued and outstanding	6,672	5,369
Additional Paid In Capital	1,999,714	1,348,268
Accumulated Deficit	(3,247,345)	(2,191,490)
Total Stockholders' Deficit	(1,240,459)	(837,853)
TOTAL LIABILITIES AND STOCKHODLERS' DEFICIT	$ 316,992	$ 456,350

WHEREVERTV BROADCASTING CORPORATION AND SUBSIDIARY
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015	Nine Months Ended September 30, 2016	Nine Months Ended September 30, 2015
Revenues	$ 3,654	$ 5,098	$ 6,447	$ 13,472
Cost of Goods Sold	74,942	5,056	104,472	8,222
Gross (Loss) Profit	(71,288)	42	(98,025)	5,250
Operating Expenses:				
Salaries and Employee Benefits	$ 31,500	$ 2,198	$ 87,000	$ 2,865
Professional Fees	36,306	4,800	106,577	26,603
Interest Expense	22,509	12,990	59,925	33,940
Software Development	8,274	4,749	24,941	14,247
Contracted Services	77,519	1,602	286,076	65,225
Depreciation and Amortization	3,157	1,141	9,399	1,351
Organizational Expenses	50,930	12,000	117,169	12,000
Production Costs	31,672	-	72,610	-
Rent	15,194	-	45,194	-
Taxes and Licenses	12,191	936	16,815	1,428
Telephone	2,249	1,004	7,737	2,009
Travel	14,906	24,186	76,293	51,233
Other Operating Expenses	11,517	12,470	48,094	32,049
Total Operating Expenses	317,924	78,076	957,830	242,950
Net Operating Loss	(389,212)	(78,034)	(1,055,855)	(237,700)
Gain on Disposal	-			
Net Loss	$ (389,212)	$ (78,034)	$ (1,055,855)	$ (237,700)
Loss Per Share - Basic and Diluted	$ -	$ -	$ -	$ -
Weighted-Average Common Shares Outstanding - Basic and Diluted	56,820,841	40,792,531	58,387,508	46,909,198

WHEREVERTV BROADCASTING CORPORATION AND SUBSIDIARY
CONDENSED STATEMENTS OF STOCKHOLDERS' DEFICIT
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2016 AND 2015

	Preferred Stock		Common Stock		Additional Paid in	Accumulated	Stockholders'
	Shares	Amount	Shares	Amount	Capital	Deficit	Deficit
Balance at December 31, 2014	-	$ -	40,792,531	$ 4,079	$ 973,278	$(1,765,423)	$ (788,066)
Stock issued as compensation (Unaudited)	-	-	6,650,000	665	65,835	-	66,500
Net loss (Unaudited)	-	-	-	-	-	(159,665)	(159,665)
Balance at June 30, 2015 (Unaudited)	-	$ -	47,442,531	$ 4,744	$1,039,113	$(1,925,088)	$ (881,231)
Balance at December 31, 2015	-	$ -	53,687,508	$ 5,369	$1,348,268	$(2,191,490)	$ (837,853)
Stock issued as compensation (Unaudited)	-	-	4,700,000	470	152,280	-	152,750
Proceeds From sale of preferred stock (Unaudited)	500,000	500	-	-	-	-	500
Proceeds From sale of common stock (Unaudited)	-	-	8,333,333	833	499,167	-	500,000
Stock issued for debt conversion (Unaudited)	-	-	-	-	-	-	-
Net loss (Unaudited)	-	-	-	-	-	(1,055,855)	(1,055,855)
Balance at September 30, 2016 (Unaudited)	500,000	$ 500	66,720,841	$ 6,672	$1,999,715	$(3,247,345)	$(1,240,458)

WHEREVERTV BROADCASTING CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	For the Nine Months Ended September 30, 2016	2015
CASH FLOW FROM OPERATING ACTIVITIES		
Net Loss	$ (1,055,855)	$ (237,700)
Adjustments to reconcile net loss to net cash used in operations:		
Depreciation	3,063	1,351
Amortization	6,336	-
Stock issued as compensation	152,750	66,500
Increase in Other Assets	(7,500)	-
Increase(Decrease) in:		
Accounts Payable	(6,286)	10,246
Accrued Interest	59,897	32,968
Accrued Liabilities	19,500	-
Payroll Taxes Payable	8,153	-
Prepaid Expenses	(10,000)	-
Credit Cards Payable	(9,093)	(83)
NET CASH USED IN OPERATING ACTIVITIES	$ (839,035)	$ (126,718)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Furniture and Equipment	$ (4,749)	$ (22,809)
NET CASH USED FOR INVESTING ACTIVITIES	$ (4,749)	$ (22,809)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in Loans From Stockholder	$ 200,577	$ 149,739
Increase(Decrease) in Notes Payable	(9,500)	105
Proceeds From Sale of Common Stock	500,000	-
Proceeds From Sale of Preferred Stock	500	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	$ 691,577	$ 149,844
NET DECREASE IN CASH	**$ (152,207)**	**$ 317**
CASH AT THE BEGINNING OF THE PERIOD	255,551	979
CASH AT END OF THE PERIOD	**$ 103,344**	**$ 1,296**
Supplemental Disclosure of cash flow information:		
Cash paid during the period for Interest	$ 28	$ 972

Notes to Consolidated Financial Statements (Unaudited)

Note 1 - Organization and Significant Accounting Policies.

WhereverTV Broadcasting Corporation ("WhereverTV" or the "Company") is the next generation subscription television service providing consumers with pre-paid live-streaming, genre-specific, and in-language viewing choices from around the world, delivered to anywhere in the world, and through any internet enabled device. Programming is identical to existing broadcast and distribution providers with the only differences being that the broadcast signals are accessed through the internet via an over the top (OTT) platform, and channel management is handled by company's patented Global Interactive Program Guide (IPG) technology. WhereverTV provides an economically beneficial and completely versatile alternative to traditional cable and satellite services, with the added benefits of personalization and portability. Also known as Internet TV, WhereverTV can deliver these same channels, shows and events to SmartTVs and digital media receivers including: GoogleTV, AppleTV, Roku, Amazon Fire TV, iPhone, iPad, iPod Touch, Droid Smartphone, and TabletPCs. The WhereverTV platform enables subscribers to access licensed and free-to-air content across these devices with the IPG across unlimited geographies, and wherever there is internet connectivity. The customer viewing experiences are based on customer location (geo-targeting) and content-rights management (subscriptions). Apps are presently available for free in App Stores for iOS (Apple), Android and Amazon Fire TV devices. DVR functionality to record your shows and view later is slated for development the future.

In May 2012 the Company amended its Certificate of Incorporation to change its name to WhereverTV Broadcasting Corporation. Prior to May 2012 and from August 10, 2007, the Company's name was Accelerated Building Concepts Corporation ("ABCC"). Prior to August 2007 and since November 9, 2000, the Company was formerly known as K2 Digital, Inc. Prior to November 2000 and since January 16, 1996, the Company was known as K2 Design, Inc.

In May 2012, the Company filed an amendment to its Certificate of Incorporation to: (i) change its name to "WhereverTV Broadcasting Corporation" and (ii) increased the authorized shares from 25,000,000, shares consisting of 24,000,000 shares of Common Stock and 1,000,000 shares of Preferred Stock to 3,510,000,000 of which (a) 3,500,000,000 shares are Common Stock and (b) 10,000,000 shares are Preferred Stock.

On May 25, 2012 the Company entered into and consummated an Agreement and Plan of Share Exchange ("Agreement") with WhereverTV, Inc., a Delaware Corporation ("WTV"). Pursuant to the Agreement, the Company agreed to acquire all of the outstanding equity of WTV in exchange for 26,700,000 (as adjusted for the September 14, 2012 one hundred to one reverse stock split) newly issued shares of the Company's common stock, par value $.0001 per share issued to the shareholders of WTV (the "Exchange"). As a result of the Exchange, WTV became a wholly - owned subsidiary of the Company. Following the issuance of the Exchange Shares, the former stockholders of WTV now beneficially own approximately seventy-six percent (76%) of the total outstanding shares of the Company's Common Stock. For financial accounting purposes, the Exchange was a reverse acquisition of the Company by WTV and was treated as a recapitalization with WTV as the acquirer. Upon consummation of the Exchange, the Company adopted the business plan of WTV. The parties took all actions necessary to

Note 1 - Organization and Significant Accounting Policies (continued)

ensure the Exchange was treated as a "tax free exchange" under Section 368 of the Internal Revenue Code of 1986, as amended.

For accounting purposes the transaction was accounted for as a reverse recapitalization. Reverse recapitalization accounting applies when a non-operating shell company acquires a private operating company and the owners and management of the private operating company have actual or effective voting and operating control of the combined company. A reverse recapitalization is equivalent to the issuance of stock by the private operating company for the net monetary assets of the public shell corporation accompanied by a recapitalization with accounting similar to that resulting from a reverse acquisition, except that no goodwill or other intangible assets are recorded.

As a condition precedent for the Exchange, ABCC commenced a Bankruptcy Proceeding under Chapter 7 of Title 11 of the United States Code of its wholly-owned subsidiary, New Century Structures, Inc. a Florida Corporation. Additionally, at the Closing of the Exchange, the Company accepted subscriptions in the amount of $400,000 for shares of the Company's Common Stock at the purchase price of $0.005 per share. An additional $100,000 was due within sixty (60) days following the day the Company files the necessary information on OTCQB to upgrade the Company's trading on OTCQB to "OTC Pink Current", or higher including: an Initial Company Information and Disclosure Statement; Attorney Letter; and Current Report disclosing the Closing. The Agreement contained customary representations, warranties, indemnities and covenants of the Company and WTV for like transactions.

At the time of the Exchange, the Board of Directors was reconstituted by the resignation of Douglas Ward from his role as the Company's Director, President, Secretary and Chief Executive and Financial Officer and the appointment of Mark Cavicchia as the Company's Chief Executive Officer, Treasurer, Secretary and Director and Thomas Curran and James Sung as Directors of the Company. Since that time both Thomas Curran and James Sung's terms have expired without being re-nominated to the Board. In early 2015 Mark Cavicchia was re-appointed to the board, Edward Ciofani was also appointed to the Board of Directors. At that same time Edward Ciofani was named as Chief Executive Officer and Co-Chairman of the board while Mark Cavicchia took over as Chief Digital Officer and Co-Chairman of the Board. Subsequently Jacobo Feldman, Ed Borkowski, Gary McGuirk, Scott Welch were all appointed to the Board of Directors. Also at that same time Rene Morissette was appointed as Chief Financial Officer and Mark Knauf was appointed as Controller. On December 11, 2015 Mark Cavicchia resigned as Chief Digital Officer and was not re-nominated for election to the Board. During the same meeting all other board members were re-nominated and appointed. Additionally Rene Morissette and Mark Knauf were nominated and appointed as Directors.

Going Concern. The accompanying consolidated financial statements have been prepared assuming the Company will continue as a going concern, which contemplates continuity of operations, realization of assets, and liquidation of liabilities in the normal course of business.

As of September 30, 2016, the Company had a Stockholders' deficit of $1,240,458 and a working capital deficit of $1,454,107. Also, during the period ended September 30, 2016 the Company used net cash of $839,035 for operating activities and was in technical default on all of the Company's notes payable.

Note 1 - Organization and Significant Accounting Policies (continued)

These factors raise substantial doubt about the Company's ability to continue as a going concern. While the Company is attempting to enhance operations, expand into Latin America and generate revenues, the Company's cash position may not be significant enough to support the Company's daily operations.

Going Concern (continued). Management intends to raise additional funds by way of a public offering. On July 15th the Company sold $500,000 of restricted common stock and plans to raise additional funds. Management believes that the actions presently being taken to further implement its business plan and generate revenues provide the opportunity for the Company to continue as a going concern. While the Company believes in the viability of its strategy to generate revenues and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon the Company's ability to further implement its business plan and generate revenues. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

Basis of Presentation. The Company's condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP").

Principles of Consolidation. The condensed consolidated financial statements include the accounts of WTV its wholly owned subsidiary. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates. The preparation of condensed consolidated financial statements in conformity with GAAP, management is required to make estimates and assumptions that affect the reported amounts assets and liabilities as of the date of the consolidated balance sheet and reported amounts of revenues and expenses during the reporting period. Significant estimates for the periods reported include certain assumptions used in deriving the fair value of share-based compensation and the impairment analysis on the Company's patent. Assumptions and estimates used in these areas are material to our reported financial condition and results of our operations. Actual results will differ from those estimates.

Cash and Equivalents. The Company considers all cash on hand and in bank to be cash and equivalents.

Patent. GAAP requires the Patent to be tested for impairment on an annual basis and between annual tests in certain circumstances, and written down when impaired. Management has internally evaluated the Patent in accordance with GAAP and determined, based on qualitative assessment, that it is not more-likely-than-not that the fair value of the reporting unit is less than its carrying value as of September 30, 2016 and 2015 and therefore has determined that there was no impairment of the Patent during the nine months ended September 30, 2016 or 2015. There can be no assurance that future Patent impairment tests will not result in a change to operations.

Note 1 - Organization and Significant Accounting Policies (continued)

Furniture and Equipment. Furniture and equipment are recorded at cost. Major renewals and improvements are capitalized, while maintenance and repairs are expensed when incurred. Expenditures for major additions and betterments are capitalized in amounts greater or equal to $500. Depreciation of equipment is computed by the modified accelerated method (after taking into account their respective estimated residual values) over the assets estimated useful life of three (3), five (5), or seven (7) years.

Upon sale or retirement of equipment, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in statements of operations.

Stock-Based Compensation. The Company records share based payments in accordance with GAAP. Under GAAP, companies are required to measure the compensation costs of share-based compensation arrangements based on the grant-date fair value and recognize the costs in the consolidated financial statements over the period during which employees are required to provide services. Share-based compensation arrangements include stock warrants.

Loss per Share. Basic losses per share is based on the weighted effect of all common shares issued and outstanding and is calculated by dividing net losses by the weighted-average shares outstanding during the period. Diluted losses per share is calculated by dividing net loss by the weighted-average number of common shares used in the basic loss per share calculation plus the number of common shares, if any, that would be issued assuming conversion of all potentially dilutive securities outstanding. For the nine and three months ended September 30, 2016 and 2015 the outstanding convertible accounts payable, convertible related party loans and stock warrants were not considered dilutive securities due to net losses incurred by the Company.

Commitments and Contingencies. The Company follows GAAP to report accounting for contingencies. Certain conditions may exist as of the date the consolidated financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or un-asserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or un-asserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's consolidated financial statements. If the assessment indicates that a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Note 1 - Organization and Significant Accounting Policies (continued)

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed. Management does not believe, based upon information available at this time, that these matters will have a material adverse effect on the Company's consolidated financial position, results of operations or cash flows. However, there is no assurance that such matters will not materially and adversely affect the Company's business, financial position, and results of operations or cash flows.

Related Parties. Related parties include (a) affiliates of the Company; (b) entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option, to be accounted for by the equity method by the investing entity; (c) trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; (d) principal owners of the Company; (e) management of the Company; (f) other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and (g) Other parties that can significantly influence the management or operating policies of the Related Parties transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests. The financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of consolidated financial statements is not required in those statements. The disclosures shall include: (a) the nature of the relationship(s) involved; (b) description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which statements of operations are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements; (c) the dollar amounts of transactions for each of the periods for which statements of operations are presented and the effects of any change in the method of establishing the terms from that used in the preceding period; and (d) amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.

Recent Accounting Pronouncements. In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2016-2, *Leases (Topic 842)* which will require lessees to recognize on the balance sheet the assets and liabilities for the rights and obligations created by those leases with term of more than twelve months. Consistent with current GAAP, the recognition, measurement, and presentation of expenses and cash flows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. The new ASU will require both types of leases to be recognized on the balance sheet. The ASU also will require disclosures to help investors and other financial statement users better understand the amount, timing, and uncertainty of cash flows arising from leases. These disclosures include qualitative and quantitative requirements, providing additional information about the amounts recorded in the financial statements. The ASU is effective for fiscal years beginning after December 15, 2018 including interim periods within those fiscal years. The Company is in the process of determining the effect of the ASU on its balance sheets and statements of operations. Early application will be permitted for all organizations.

Note 2 – Patent

The Company has been accumulating all costs associated with acquiring its US patent number 8,686,431 B2 on its balance sheet. The patent was issued by the United States Patent office on February, 18 2014. The Company has chosen to begin amortizing the expenses related to that patent beginning in 2015 with a 20 year life.

The change in the balance for the patent is as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	2016	2015	2016	2015
Beginning of the period	$161,238	$168,984	$165,462	$168,984
Amortization expense	(2,112)	0	(6,336)	0
End of period	$159,126	$168,984	$159,126	$168,984

The future expected amortization of the patent is as follows:

Year Ending December 31,	Amount
2016	$ 2,113
2017	$ 8,449
2018	$ 8,449
2019	$ 8,449
2020	$ 8,449
Thereafter	$123,217
Total	$159,126

Note 3 – Equipment

Equipment consisted of the following:

	At June 30, 2016	At December 31, 2015
Equipment	$ 41,462	$ 36,713
Less accumulated Depreciation	(9,439)	(6,376)
Furniture and equipment, net	$ 32,023	$ 30,337

Depreciation expense for the six months ended September 30, 2016, and 2015 was $3,063 and $210 respectively. Depreciation expense for the three months ended September 30. 2016 and 2015 were $1,045 and $105 respectively.

Note 4 – Convertible Accounts Payable

Zigron, Inc. a vendor of the Company has agreed to convert its outstanding invoices up to April 1, 2012 and accrued interest on those invoices to common stock. The amount of accounts payable was $141,798 and the accrued interest on those payables was $20,629. The agreement is to convert the accounts payable and all accrued interest to 3,248,541 shares of common stock. As of September 30, 2016 the shares of common stock have not been issued. Accounts payable for September 30, 2016 and December 31, 2015 includes $141,798 in convertible accounts payable.

Note 5 – Related Party

Until the end of 2015, the Company had been provided office space by its then chief executive officer Mark Cavicchia at no cost. Management has determined that such cost is nominal and did not recognize the rent expense in its consolidated financial statements.

In the third quarter, the Company, from time to time, paid certain expenses of Digital Rodeo, LLC ("DR") and Digital Rodeo TV, Inc. (DRTV) in anticipation of the Company acquiring both DR and DRTV as wholly owned subsidiaries of the Company. The Company closed on the transaction acquiring DR on October 10, 2016. The Company anticipates closing on the acquisition of DRTV in January 2017.

There have been loans from the prior CEO and current CEO to the Company. The prior CEO's note bears no interest and is payable on demand at September 30 2016, and December 31, 2015 the note payable to the prior CEO were $6,749. The current CEO's note bears 10% simple interest and is convertible into the Company's common stock at $.05 per share. The balance of the notes at September 30, 2016 and December 31, 2015 was $493,288 and $292,712, respectively. At September 30, 2016 the notes payable and the accrued interest to the current CEO are convertible into 9,865,760 shares of common stock.

Note 6 – Notes Payable

Notes payable consist of the following:	**At September 30, 2016**	**At December 31, 2015**
Promissory notes with Innovations Works, Inc. at fixed interest rate of 8.00% collateralized by substantially all tangible and intangible assets of the Company. These notes are past due and subject to certain restrictive covenants.	$ 300,000	300,000
Promissory notes with Idea Foundry, Inc. at fixed interest rate of 8.00% collateralized by substantially all tangible and intangible assets of the Company. These notes are past due and subject to certain restrictive covenants.	20,000	20,000
Promissory note with an unrelated party. Note is unsecured and bears interest at rate of 15%. Note is past due and in default	25,000	25,000
Promissory note with an unrelated party. Note is unsecured and bears no interest. Note is past due and in default.	0	9,500
Promissory note with an unrelated party. Note is unsecured and bears no interest. Note is past due and in default.	4,226	4,226
Notes payable	$ 349,226	358,726

Note 6 – Notes Payable (continued)

Substantially all of the assets of the Company collateralize outstanding debt obligations. Substantially all notes payable are subject to certain restrictive covenants, the most restrictive of which requires the Company to maintain compliance with certain financial ratios. At September 30, 2016, the Company was not in compliance with restrictive covenants and was in technical default on all of the notes payable.

Note 7 – Restricted Preferred Stock

In April, 2016 the Company sold 500,000 shares of series A Restricted Preferred Stock to its Chief Executive Officer ("CEO") for $500. The series A Restricted Preferred Stock has a par value of $.0001 per share, a liquidation value of $.001 per share, and is redeemable by the Company at $.001 per share on or after January 1, 2019. The series A Restricted Preferred Shares also carry a voting right of 100 votes per share. The issuance of the series A Restricted Preferred Stock has given effective control of the Company to the CEO.

Note 8 – Subsequent Events

On October 10, 2016, the Company closed on its acquisition of Digital Rodeo, LLC, a Tennessee Limited Liability Company and issued the members of Digital Rodeo, LLC, 600,000 shares of its restricted common stock. Gary McGuirk, Sr., who was the majority owner of Digital Rodeo, LLC is also a director of the Company. The shares were issued pursuant to the exemption provided by Section 4(a) (2) of the Securities Act of 1933, as amended. As a result of the acquisition, Digital Rodeo, LLC is now a wholly owned subsidiary of the Company.

Note 9 - Stock Warrants

The Company granted 1,100,000 warrants to purchase restricted common stock to employees during the year ended December 31, 2015. The warrants were fully vested at the date of grant, expire on December 31, 2017 and have an exercise price that ranges from $0.50 to $1.50. No warrants have been exercised as of September 30, 2016.

The Company determined that the warrants had no value on the date of issuance.

Note 10 – Restricted Stock

The Company issued and sold restricted common stock and restricted preferred stock to its employees, board members and debt holders. The holders of restricted stock are unable to sell the stock publicly for two years from the date of issuance and until the stockholder takes certain actions to remove the restriction. The shares have been issued for services rendered and carry no vesting period. At September 30, 2016, 56,402,507 shares of common stock were restricted and 500,000 shares of preferred stock were restricted. During the nine months ended September 30, 2016 and 2015 8,333,333 and 0 shares of restricted common stock were issued.

Note 11 – Leases

The Company entered into a three year lease for its corporate offices. The lease commenced on December 1, 2015 and contains escalation clauses and renewal options.

There was no rent expense for the three or nine months ended September 30, 2015. Rent expense for the three and nine months ended September 30, 2016 was $15,000 and $45,000.

The future minimum annual lease payments at September 30, 2016 are as follows:

Year Ending December 31,	Amount
2016	$ 15,000
2017	$ 60,000
2018	$ 55,000
Total	$145,000