**OTC MARKETS GROUP**

**COREwafer Industries, Inc.**

**(*Formerly Action Products International, Inc.)***

**(A Nevada Company)**

**QUARTERLY REPORT**

***As of June 30, 2014***

*All information in this Information and Disclosure Statement has been compiled to fulfill the disclosure requirements of rule 15c2-11 (a) promulgated under the Securities and Exchange Act of 1934, as amended. The enumerated captions contained herein correspond to the sequential format set forth in the rule.*

*No Dealer, salesmen or any other person has been authorized to give any information, or to make any representations, not contained herein in connection with the issuer. Such information or representations, if made, must not be relied upon as having been authorized by the issuer, and:*

*Delivery of this information file does not any time imply that the information contained herein is correct as of any time subsequent to the date first written above.*

*The undersigned hereby certifies that the information herein is true and correct to the best of their knowledge and belief.*

*Date: August 11, 2014*

*COREWAFER INDUSTRIES, INC.*

*By: /s/ Mr. Cyril Moreau*

*Name: Mr. Cyril Moreau*
*Position: CEO / President*
*Phone: (866) 793-1110*
*E-mail: cyril.moreau@corewaferindustries.com*
*Web-Page: www.corewaferindustries.com*

## 1. The name of the issuer and its predecessors (if any):

The exact name of the Issuer is COREwafer Industries, Inc. (formerly Action Products International, Inc.)

## 2. Address of the issuer's principal executive offices:

The principal executive offices are located at:

Company Headquarters

1801 Polk Street, #2677
Hollywood, FL 33022
Phone: (866) 793-1110
Fax: (954) 206-0487

IR Contact

Mr. Cyril Moreau
P. O. Box 2677
Hollywood, FL
33022 Phone:
(866) 793-1110

## 3. Security Information:

**Trading Symbol**: WAFR

**CUSIP**: 21871B107

**Par Value**: $.00001

**Transfer Agent**
Registrar and Transfer Company
10 Commerce
Cranford, NJ 07016
Phone: (908) 497-2300

The transfer agent is registered under the Exchange Act.

| **Title and class of securities outstanding:** | 06/30/2013 | 06/30/2014 |
|---|---|---|
| Number of Shares Authorized – Common | 700,000,000 | 9,000,000,000 |
| Number of Preferred Shares Authorized – | 50,000,000 | 35,675,010 |
| Number of Shares Outstanding – Common | 88,239,690 | 6,159,892,091[1] |
| Number of Shares Outstanding – Pref. Ser. A | 175,000 | 175,000 |
| Number of Shares Outstanding – Pref. Ser. B | 14,855,522 | 40,372,202 |
| Number of Shares Outstanding – Pref. Ser. C | -0- | -0- |
| Number of Shares Outstanding – Pref. Ser. D | -0- | -0- |
| Number of Shares Outstanding – Pref. Ser. F | -0- | 2 |
| Number of Shares Outstanding – Pref. Ser. G | -0- | -0- |
| Freely Tradable Shares – Common | 19,319,159 | 892,593,299 |
| Total Number of Beneficial Shareholders | 1 | 1 |
| Total Number of Shareholders of Record | 184 | 210 |

Certain common shares have been issued with restrictive legend.

During the past 12 months the Issuer has not been issued any trading suspension orders by the SEC.

## 4. Issuance History:

On August 20, 2013, the issuer filed a Form D Notice of Exempt Offering of Securities for the sales of its common stock under Rule 504 (b)(1)(ii) and Rule 504 (b)(1)(iii) under the jurisdiction of the State of New York.

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[1] This total number of common shares outstanding includes the shares outstanding per the Transfer Agent of 6,152,617,445 and 7,274,646 shares of common stock held in reserve for the CWS Acquisition.

On December 31, 2013, the issuer filed a Form D Notice of Exempt Offering of Securities for the sales of its common stock under Rule 504 (b)(1)(ii) and Rule 504 (b)(1)(iii) under the jurisdiction of the State of New York.

On January 7, 2014, the issuer filed a Form D Notice of Exempt Offering of Securities for the sales of its common stock under Rule 504 (b)(1)(ii) and Rule 504 (b)(1)(iii) under the jurisdiction of the State of Delaware.

On January 16, 2014, the issuer filed a Form D Notice of Exempt Offering of Securities for the sales of its common stock under Rule 504 (b)(1)(ii) and Rule 504 (b)(1)(iii) under the jurisdiction of the State of Delaware.

On January 29, 2014, the issuer filed a Form D Notice of Exempt Offering of Securities for the sales of its common stock under Rule 504 (b)(1)(ii) and Rule 504 (b)(1)(iii) under the jurisdiction of the State of Delaware.

On February 14, 2014, the issuer filed a Form D Notice of Exempt Offering of Securities for the sales of its common stock under Rule 504 (b)(1)(ii) and Rule 504 (b)(1)(iii) under the jurisdiction of the State of Delaware.

On March 4, 2014, the issuer filed a Form D Notice of Exempt Offering of Securities for the sales of its common stock under Rule 504 (b)(1)(ii) and Rule 504 (b)(1)(iii) under the jurisdiction of the State of Delaware.

The total number of shares sold was 709,400,000. The shares were offed at a discount off market and the total proceeds paid to the issuer/company was $298,402. These shares were all issued as freely tradable without restrictive legend stating that the shares have not been registered under the Securities Act and setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

Table 1.

| **Number of Shares sold/issued under Rule 504** | **Class** | **Date of Sale** | **Description of Consideration** | **Relationship to the Company** | **Price Per Share** |
|---|---|---|---|---|---|
| 5,000,000 | Common | 07/16/13 | $25,000.00 | Investor | 0.0050 |
| 2,000,000 | Common | 08/20/13 | $10,000 - Settlement of Debt | Investor | 0.0050 |
| 2,000,000 | Common | 08/20/13 | $10,000 - Settlement of Debt | Investor | 0.0050 |
| 9,000,000 | Common | 08/29/13 | $50,400 - Settlement of Debt | Investor | 0.0056 |
| 10,000,000 | Common | 12/24/13 | $10,000.00 | Investor | 0.0010 |
| 12,400,000 | Common | 01/07/14 | $10,000.00 | Investor | 0.0008 |
| 14,500,000 | Common | 01/14/14 | $12,000.00 | Investor | 0.0008 |
| 38,000,000 | Common | 01/30/14 | $22,000.00 | Investor | 0.0006 |
| 55,000,000 | Common | 02/20/14 | $12,000.00 | Investor | 0.0008 |
| 61,500,000 | Common | 03/04/14 | $12,000.00 | Investor | 0.0004 |
| 62,500,000 | Common | 03/13/14 | $25,000.00 | Investor | 0.0004 |
| 62,500,000 | Common | 04/02/14 | $25,000.00 | Investor | 0.0004 |
| 375,000,000 | Common | 04/11/14 | $25,000.00 | Investor | 0.0002 |

*[This space intentionally left blank]*

Restricted common stock issued to directors, officers, consultants and for the settlement of debt:

Table 2.

| Number of Shares issued | Class | Date of Issuance | Description of Consideration | Relationship to the Company | Price Per Share |
|---|---|---|---|---|---|
| 916,031 | Common | 06/21/13 | Officer or Director Compensation | Director | 0.02183 |
| 1,156,627 | Common | 06/21/13 | Officer or Director Compensation | Director | 0.01729 |
| 148,268 | Common | 06/30/13 | Officer or Director Compensation | Director | 0.01500 |
| 148,268 | Common | 06/30/13 | Officer or Director Compensation | Director | 0.01500 |
| 148,268 | Common | 06/30/13 | Officer or Director Compensation | Director | 0.01500 |
| 122,482 | Common | 06/30/13 | Officer or Director Compensation | Director | 0.01500 |
| 1,000,000 | Common | 06/30/13 | Provided Consulting Services | Consultant | 0.01500 |
| 1,148,268 | Common | 06/30/13 | Officer or Director Compensation | Officer | 0.01500 |
| 8,976,660 | Common | 01/31/14 | Officer or Director Compensation | Directors | 0.00557 |
| 15,000,000 | Common | 03/05/14 | Provided Consulting Services | Consultant | 0.00100 |
| 135,000,000 | Common | 03/18/14 | Provided Consulting Services | Consultant | 0.00100 |
| 3,000,000,000 | Common | 03/25/14 | Settlement of Debt | Officer | 0.00001 |
| 3,000,000,000 | Common | 03/25/14 | Settlement of Debt | Officer | 0.00001 |
| 50,000,000 | Common | 03/31/14 | Officer or Director Compensation | Directors | 0.00100 |
| (500,000,000) | Common | 05/12/14 | Exchange Common for Preferred | Director | 0.00001 |
| (1,000,000,000) | Common | 05/29/14 | Exchange Common for Preferred | Director | 0.00001 |
| (500,000,000) | Common | 05/30/14 | Exchange Common for Preferred | Director | 0.00001 |
| (1,000,000,000) | Common | 06/06/14 | Exchange Common for Preferred | Director | 0.00001 |
| (1,000,000,000) | Common | 06/06/14 | Exchange Common for Preferred | Director | 0.00001 |

*[This space intentionally left blank]*

Preferred Series B, D and G shares issued to officers, directors, consultants, and in the settlement of debt:

Table 3.

| Number of Shares issued | Class | Date of Issuance | Description of Consideration | Relationship to the Company | Price Per Share |
|---|---|---|---|---|---|
| 500,000 | B Preferred | 06/30/13 | Officer or Director Compensation | Officer | 0.0150 |
| 897,666 | B Preferred | 01/31/14 | Officer or Director Compensation | Directors | 0.00557 |
| 897,666 | B Preferred | 01/31/14 | Officer or Director Compensation | Directors | 0.00557 |
| 897,666 | B Preferred | 01/31/14 | Officer or Director Compensation | Directors | 0.00557 |
| 897,666 | B Preferred | 01/31/14 | Officer or Director Compensation | Directors | 0.00557 |
| 5,000,000 | B Preferred | 03/31/14 | Officer or Director Compensation | Directors | 0.00100 |
| 5,000,000 | B Preferred | 03/31/14 | Officer or Director Compensation | Directors | 0.00100 |
| 5,000,000 | B Preferred | 03/31/14 | Officer or Director Compensation | Directors | 0.00100 |
| 5,000,000 | B Preferred | 03/31/14 | Officer or Director Compensation | Directors | 0.00100 |
| 1,470,588 | D Preferred | 05/12/14 | Exchange Common for Preferred | Director | 0.00100 |
| 1,000,000 | D Preferred | 05/29/14 | Exchange Common for Preferred | Director | 0.00100 |
| 3,001 | D Preferred | 06/30/14 | Exchange Common for Preferred | Director | 0.00100 |
| 1,800 | G Preferred | 05/12/14 | Exchange Common for Preferred | Director | 0.00001 |
| 3,864 | G Preferred | 05/29/14 | Exchange Common for Preferred | Director | 0.00001 |
| 2,000 | G Preferred | 05/30/14 | Exchange Common for Preferred | Director | 0.00001 |
| 4,000 | G Preferred | 06/06/14 | Exchange Common for Preferred | Director | 0.00001 |
| 4,000 | G Preferred | 06/06/14 | Exchange Common for Preferred | Director | 0.00001 |

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Authorized

The Company is authorized to issue 8,964,324,990 shares of $0.00001 par value common stock and 35,675,010 shares of $0.00001 par value preferred stock. All common stock shares have equal voting rights, are non-assessable and have one vote per share. Voting rights are not cumulative and, therefore, the holders of more than 50% of the common stock could, if they choose to do so, elect all of the directors of the Company. The preferred shares may be issued in series, with the powers, rights and limitations of the preferred shares to be determined by the Board.

On March 19, 2014 the Nevada Secretary of State accepted for filing a Certificate of Amendment increasing the Company's authorized common stock from 1,964,324,990 to 8,964,324,990 with a par value of $0.00001. The amendment was approved by the shareholders and directors on January 30, 2014.

On February 27, 2014 the Nevada Secretary of State accepted for filing a Certificate of Amendment increasing the Company's authorized common stock from 700,000,000 with a par value of $0.001 to 1,964,324,990 with a par value of $0.00001, and to decrease the Company's authorized preferred stock from 75,000,000 to 35,675,010 with a par value of $0.00001. The amendment was approved by the shareholders and directors on January 30, 2014.

On November 22, 2013 the Nevada Secretary of State accepted for filing a Certificate of Amendment increasing the Company's authorized common stock from 200,000,000 with a par value of $0.001 to 775,000,000 with a par value of $0.001, and to increase the Company's authorized preferred stock from 50,000,000 to 75,000,000 with a par value of $0.001. The amendment was approved by the shareholders and directors on October 19, 2013.

On August 21, 2008, the Board of Directors adopted and approved a resolution to amend the Articles of Incorporation of the Company to establish the designations, powers, preferences and relative, participating, optional or other special rights, and the qualifications, limitations and restrictions of the shares of Series A Convertible Preferred Stock of the Company. Five hundred thousand (500,000) shares of the authorized shares of preferred stock were thereby designated "Series A Convertible Preferred Stock" (Series A Stock) at a par value of $0.001 per share.

On April 19, 2012, the Board of Directors adopted and approved a resolution to amend the Articles of Incorporation of the Company to establish the designations, powers, preferences and relative, participating, optional or other special rights, and the qualifications, limitations and restrictions of the shares of Series B Convertible Preferred Stock of the Company. Twenty Million (20,000,000) shares of the authorized shares of preferred stock were thereby designated "Series B Convertible Preferred Stock" (Series B Stock) at a par value of $0.001 per share.

On April 19, 2012 the Board of Directors adopted and approved a resolution to amend the Articles of Incorporation of the Company to establish the designations, powers, preferences and relative, participating, optional or other special rights, and the qualifications, limitations and restrictions of the shares of Series C Convertible Preferred Stock of the Company. Three million (3,000,000) shares of the authorized shares of preferred stock were thereby designated "Series C Convertible Preferred Stock" (Series C Stock) at a par value of $0.001 per share.

On October 9, 2013 the Board of Directors adopted and approved a resolution to amend the Articles of Incorporation of the Company to establish the designations, powers, preferences and relative, participating, optional or other special rights, and the qualifications, limitations and restrictions of the shares of Series D Convertible Preferred Stock of the Company. Two million five hundred thousand (2,500,000) shares of the authorized shares of preferred stock were thereby designated "Series D Convertible Preferred Stock" (Series D Stock) at a par value of $0.001 per share.

On January 30, 2014 the Board of Directors adopted and approved a resolution to amend the Articles of Incorporation of the Company to establish the designations, powers, preferences and relative, participating, optional or other special rights, and the qualifications, limitations and restrictions of the shares of Series F Convertible Preferred Stock of the Company. Ten (10) shares of the authorized shares of preferred stock were thereby designated "Series F Convertible Preferred Stock" (Series F Stock) at a par value of $0.00001 per share.

On January 30, 2014 the Board of Directors adopted and approved a resolution to amend the Articles of Incorporation of the Company to establish the designations, powers, preferences and relative, participating, optional or other special rights, and the qualifications, limitations and restrictions of the shares of Series G Convertible Preferred Stock of the Company. Ten million (10,000,000) shares of the authorized shares of preferred stock were thereby designated "Series G Convertible Preferred Stock" (Series G Stock) at a par value of $0.00001 per share.

### 3. Financial Statements

The Company's financial statements are attached at the end of this interim filing as Exhibit

A. CONDENSED CONSOLIDATED FINANCIAL INFORMATION



### 6. Description of Issuer's Business, Products and Services

Originally incorporated in New York in 1977, the Company relocated its operations and state of incorporation to Florida in 1981. In 1984 the Company went public on the NASDAQ market place. The Company began as a distributor of education-oriented toys, children's books, stationery and souvenirs, supplying to museum gift shops exclusively.

In 1997, the Company shifted focus from being a distributor of other manufacturers' toys, gifts, souvenirs, promotional premiums and published products towards the development, establishment and distribution of our own proprietary brands and products. In 2001, the Company shifted to a manufacturer model and licensed products to other entities as a principal source of income. Historically, the principal source of revenues had been the sale of products to retailers.

In 2007, more than 20 million children's toys imported from China were recalled which had a devastating effect on the Company's sales from which it did not recover. As a result, the Company decided that it would restructure rather than file bankruptcy and on December 4, 2009, announced plans to exit the failing toy business and seek a new venture.

In 2010, the company temporarily relocated the corporate office to New York and changed its focus from toy manufacturer/distributor to a holding company whose focus is to acquire and manage business with strong growth potential across various industries.

In 2011 the company completed its first acquisition. Northeast Expedite Logistics, LLC, acquisition was completed December 29, 2011.

In 2012, the Company changed its name from Action Products International, Inc.to COREwafer Industries, Inc., relocated its state of incorporation to Nevada, and on October 25, 2012, completed its acquisition of Core Wafer Systems, Inc.

On or about July 22, 2013, the Company consolidated its corporate headquarters, operations and subsidiary operations to its South Florida office.

<u>The Company's primary and secondary SIC Codes are</u>:

551114 – Holding companies that manage
541511 – Software development and sales
484120 - Trucking

**<u>Products and Services</u>**:

**Software Development and Sales**: High-Tech industry continues to grow at exponential rates, consumer and high-Tech parts continue to shrink and production increases in complexity. With complex production comes the need to aggressively test components to ensure long-life and low failure percentage. Natural disasters and other similar events also reduce quality. Recent disasters have opened up a market for a significant increase in needs in this environment. Our Company has a specific focus on quality semiconductor testing.

To enable the success of this software and technology vertical, the Company acquired Core Wafer Systems, Inc., (CWS) a Nevada corporation, that creates proprietary software, software algorithms, and hardware that are used in the testing and data mining of the most commonly used semiconductor components. CWS was the sole supplier of technology for Agilent semiconductor test equipment as an OEM partner until Agilent exited the OEM Market. Now, CWS continues to create software that can be used by Agilent hardware through 2015. CWS ensures these components, created by leading semiconductor manufacturers, leave the factory in a working state after having been tested and proven. CWS helps ensure that products are manufactured within specification and won't suddenly fail for the end consumer. Core Wafer Systems has three main product lines:

PDQ-WLR – Wafer Level Reliability
Over the last several years, Wafer Level Reliability (WLR) has become the method of choice to reduce the high costs and lengthy test times of traditional reliability testing. WLR can give quick and accurate feedback on any reliability degradation created through process modifications, equipment changes, or production variations. Thus, WLR reduces reliance on traditional burn-in and life test. WLR achieves this by applying stresses greater than normal operating conditions to special structures on the wafer (as The Reliability Challenge opposed to packaged parts). WLR has the advantage of providing reliability information in minutes (or even seconds) that previously took months to obtain. W LR provides a solution to reduce integrated circuit development, qualification, and production cycles without sacrificing quality and reliability. This package consists of a complete set of Joint Electron Device Engineering Council (JEDEC) and American Society for Testing Methods (ASTM) compliant test algorithms PDQ-WLR is a sophisticated wafer level reliability test software package. When used in conjunction with our fast and accurate 40 structure FAB test structures, it yields the most repeatable and interpretable wafer-level reliability data anywhere. PDQ-WLR software contains more than 30 algorithms and tests for complete reliability failure mechanisms coverage including electromigration (including contacts, vias & stress voids), oxide breakdown, hot carrier degradation, plasma damage, self-heating mobile ions as well as characterization of interface states and trapped charge. These techniques are being used for fast Cu/low-k characterization at Applied Materials, for low-k modeling at IBM and have been purchased by the top semiconductor companies worldwide. Support is provided for the Agilent 4070 series and 4062UX testers under Agilent SPECS or a standalone RMB environment.

ASUR SDR – Single Device Reliability
This product provides a PC and instruments-based solution for single device-at-a-time reliability testing with modest equipment investment using proven reliability test algorithms. SDR is a high-performance, low-cost, accelerated reliability and parametric solution for single-site testing that incorporates the proven accelerated techniques of Core Wafer Systems PDQ-WLR using instruments-based solutions. This software was previously packaged as part of an offering from Agilent Technologies sold under the name ASUR SDR, which is part of the ASUR scalable set of solutions: one hardware, one software, from instruments to system testers. The solution is now sourced solely from Core Wafer Systems.

The ASUR SDR Software Suite provides an environment in which users can test semiconductor wafers by using the JEDEC compliant PDQ-WLR algorithm library. PDQ-WLR, now in its sixth generation, is a Predictive, Demonstrated and Quantitative methodology used in Production, Development and Qualification testing of semiconductor manufacturing processes. The easy-to-use ASUR SDR software suite comes equipped with PDQ-WLR and added features necessary for the reliability assessment of advanced technological nodes.

**Trucking (Logistics & Transportation)**: Northeast Expedite Logistics, LLC ("NEEL") has been a provider of global logistics services, which included a domestic service center and exclusive and non-exclusive agents. The Company's customers have included retail and wholesale, electronics, and manufacturing companies around the world. With industrial production increasing year-after-year, the shortage of qualified drivers and trusted shipping partners is apparent in mid-markets for local deliveries. As the economy improves, orders for delivery and logistics increase. Our goal is to provide foundational shipping and coordination services between suppliers and destination businesses and warehouses, operating efficiently through cloud based tracking. As a result of Hurricane Sandy in October 2012, and the loss of its two major contracts for deliveries in the New York Tri-State area, operations have been de minimus. The Company is therefore awaiting a decision from the Board of Directors on whether or not to officially discontinue operations.

**7. Facilities**

The Company does not presently have a brick and mortar presence. We have entered into month to month rental agreements for office space and do not currently have any operating leases.

## 8. Officers and Directors

| Name | Position with Company |
|---|---|
| Cyril Moreau | President and Chief Executive Officer |
| Teresa McWilliams | Chief Financial Officer |
| Jerald Wrightsil | Director |
| Gary Polistena | Director |
| Yonghun Kim | Director |
| Dale Churchill | Director |
| Donald Bennett | Board Advisor |

**Control persons:** beneficial owners of more than 10% of any class of the issuer's securities:

| Name of Beneficial Owner | Title | Amount of Beneficial Ownership | | % Ownership |
|---|---|---|---|---|
| Cyril Moreau | President/C.E.O. | 1,006,452,438 | Common | 16% |
| Teresa McWilliams | Chief Financial Officer | 1,508,515,563 | Common | 24% |
| Cyril Moreau | President/C.E.O. | 6,304,170 | Series B Preferred | 16% |
| Teresa McWilliams | Chief Financial Officer | 7,304,170 | Series B Preferred | 18% |
| Dale Churchill | Director | 6,304,170 | Series B Preferred | 16% |
| Jerald Wrightsil | Director | 6,304,170 | Series B Preferred | 16% |
| Cyril Moreau | President/C.E.O. | 1,000,000 | Series D Preferred | 40% |
| Teresa McWilliams | Chief Financial Officer | 1,470,588 | Series D Preferred | 59% |
| Cyril Moreau | President/C.E.O. | 7,864 | Series G Preferred | 50% |
| Teresa McWilliams | Chief Financial Officer | 6,000 | Series G Preferred | 38% |

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

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

   NONE

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

   NONE

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

   NONE

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

   NONE

## 9. Third Party Providers

Legal Counsel
Matthew McMurdo, Esq.
140 W 57th Street, Suite D
New York, NY 10019
Phone: (917) 318-2865
Email: matt@nannaronelaw.com

Auditor
Richard R. Hawkins, CPA
R.R. Hawkins & Assoc. International, P.A.
11301 W Olympic Blvd., Suite 714
Los Angeles, CA 90064
Phone: (310) 553-5707
Email: info@rrhawkins.com

Investor Relations
Not Applicable

## 9. Issuer Certification - CEO

The issuer shall include certifications by the Chief Executive Officer and Chief Financial Officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, CYRIL MOREAU certify that:

1. I have reviewed this Quarterly Disclosure Statement of COREWAFER INDUSTRIES, 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.

August 11, 2014

/s/ Cyril Moreau, Chief Executive Officer
[Signature]

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### 9a) Issuer Certification - CFO

The issuer shall include certifications by the Chief Executive Officer and Chief Financial Officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, TERESA McWILLIAMS certify that:

1. I have reviewed this Quarterly Disclosure Statement of COREWAFER INDUSTRIES, 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.

August 11, 2014

/s/ Teresa McWilliams, Chief Financial Officer
[Signature]

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Exhibit A

SUPPLEMENTAL INFORMATION

**CONSOLIDATED FINANCIAL INFORMATION**



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COREWAFER INDUSTRIES, INC.

CONDENSED CONSOLIDATED BALANCE SHEET

| | June 30, | |
|---|---|---|
| | **2014** | **2013** |
| **Current Assets** | | |
| Cash | 1,635 | 5 |
| Accounts receivable | 100,823 | 119,039 |
| Prepaid expenses and other current assets | 1,176,034 | 1,344,754 |
| Total current assets | 1,278,492 | 1,463,798 |
| | | |
| Goodwill and intangible assets, net of impairment | 797,097 | 4,197,097 |
| | | |
| **Fixed Assets, net** | - | - |
| Total assets | 2,075,590 | 5,660,895 |
| | | |
| **Current Liabilities** | | |
| Accounts payable and accrued expenses | 2,225,075 | 1,572,994 |
| Convertible Promissory Notes - short term | - | 45,000 |
| Total current liabilities | 2,225,075 | 1,617,994 |
| | | |
| **Long Term Notes Payable** | 3,800,240 | 4,945,009 |
| | | |
| **Commitments and Contingencies** | 505,900 | 574,126 |
| | | |
| **Total Liabilities** | 6,531,215 | 7,137,128 |
| | | |
| **Shareholders' Deficit** | | |
| Preferred stock, $.001 par value; 50,000,000 shares authorized: | | |
| Series A: 175,000 shares issued and outstanding at December 31, 2013 and 2012, respectively | 175 | 175 |
| Series B: 16,982,000 and 14,356,000 shares issued and outstanding at December 31, 2013 and 2012, respectively | 40,372 | 14,856 |
| Series D: 16,982,000 and .00 shares issued and outstanding at December 31, 2013 and 2012, respectively | 2,473 | - |
| Series G: 16,982,000 and .00 shares issued and outstanding at December 31, 2013 and 2012, respectively | 1 | - |
| Common stock, $.001 par value; 700,000,000 and 175,000,000 shares authorized December 31, 2013 and 2012 respectively; 142,920,000 and 77,533,000 issued and outstanding December 31, 2013 and 2012, respectively | 792,718 | 88,640 |
| Treasury stock, $.001 par value; 141,000 shares authorized at December 31, 2013 and 2012 , respectively | (141) | (141) |
| Additional paid-in-capital | 15,926,006 | 14,927,927 |
| Unearned compensation costs | (49,246) | (49,246) |
| Stock Dividend | (151,931) | (151,931) |
| Accumulated deficit | (21,016,052) | (16,306,513) |
| Total shareholders' equity/deficit | (4,455,625) | (1,476,233) |
| | | |
| Total liabilities and shareholders' equity | 2,075,590 | 5,660,895 |

*See accompanying notes to condensed consolidated financial statements*

COREWAFER INDUSTRIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

| | For the Six Months Ended June 30, | |
|---|---|---|
| | 2014 | 2013 |
| Gross Sales | - | 379,074 |
| Cost of Sales | 16,667 | 46,895 |
| Net Sales | (16,667) | 332,179 |
| **Operating expenses** | | |
| Marketing and advertising | 151,484 | 255 |
| General and administrative | 547,234 | 421,262 |
| Total operating expenses | 698,718 | 421,517 |
| Net loss before income taxes | (715,385) | (89,338) |
| Interest expense | 87,807 | 148,229 |
| Other income (expense) | (103,774) | - |
| Total other income (expense) | (103,774) | - |
| Net profit (loss ) | $ (906,966) | $ (237,567) |
| Weighted average number of shares outstanding | 4,236,439,968 | 1,027,271 |
| Basic and diluted net loss per share | $ (0.0002) | $ (0.23) |

*See accompanying notes to condensed consolidated financial statements*

COREWAFER INDUSTRIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

| | For the six months ended June 30, 2014 | For the six months ended June 30, 2013 |
|---|---|---|
| **Cash flow from operating activities:** | | |
| Net income (loss) | $ (906,966) | $ (237,567) |
| Adjustments to reconcile net loss to net cash from operating activities: | | |
| Depreciation and amortization | - | - |
| Changes in operating assets and liabilities: | | |
| Increase in accounts receivable | | (295,990) |
| Decrease in accounts receivable | 18,216 | 1,000 |
| Decrease in inventories | - | 46,895 |
| Increase in prepaid expenses and other assets | 168,720 | (383,121) |
| Increase in accounts payable, accrued expenses | (652,081) | 897,658 |
| Gain on disposal of property and equipment | 103,774 | - |
| Net cash provided by (used in) operating activities | (1,268,337) | 28,875 |
| | | |
| **Cash flows from investing activities:** | | |
| Furniture, Fixtures, and Equipment | - | - |
| Security Deposits | 1,950 | - |
| Net cash provided by investing activities | 1,950 | - |
| | | |
| **Cash flows from financing activities:** | | |
| Proceeds from the issuance of stock | 135,000 | - |
| Increase in loans and notes payable | (45,000) | - |
| Decrease in loans and notes notes payable | 1,178,017 | (33,826) |
| Net cash provided by financing activities | 1,268,017 | (33,826) |
| | | |
| Net increase (decrease) in cash | 1,630 | (4,951) |
| | | |
| Cash and cash equivalents at beginning of period | 5 | 4,956 |
| | | |
| Cash and cash equivalents at end of period | 1,635 | 5 |
| | | |
| **Supplemental disclosure:** | | |
| Cash paid for interest | - | - |
| | | |
| **Non-cash financing activities:** | | |
| Common stock issued in settlement of debt | $ 1,086,277 | $ 82,490 |
| Stock-based compensation | $ 250,000 | $ 225,733 |
| Deferred / Accrued Salaries | $ 35,000 | $ 98,942 |

*See accompanying notes to condensed consolidated financial statements*

CORE WAFER INDUSTRIES, INC.

CONDENSED CONSOLIDATED STATEMENTS OF EQUITY

As of June 30, 2014

| | Preferred Stock $.001 Par Value | | Common Stock $.001 Par Value | | Treasury Stock $.001 Par Value | | Unearned Comp | Stock | Additional Paid-In | Retained | Total Shareholders' |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | Shares | Amount | Shares | Amount | Shares | Amount | Cost | Dividend | Capital | Earnings | Deficit |
| Balance @ December 31, 2013 | 17,156,538 | $ 17,157 | 142,919,548 | $ 142,920 | (140,541) | $ (141) | $ (49,246) | $ (151,931) | $ 15,187,647 | $ (20,233,867) | $ (5,087,463) |
| Issuance of common stock to officers and directors as compensation | | | 58,976,660 | $ 9,477 | | | | | $ 98,602 | | $ 108,079 |
| Issuance of preferred Series B to officers and directors for compensation | 23,590,664 | $ 23,591 | | | | | | | $ 16,409 | | $ 40,000 |
| Issuance of common stock to consultants for compensation | | | 150,000,000 | $ 150,000 | | | | | $ (183,774) | | $ (33,774) |
| Issuance of common stock for reduction of debt | | | 6,623,874,000 | $ 380,409 | | | | | $ 172,751 | | $ 553,332 |
| Sale of common stock in a private placement | | | 243,400,000 | $ 120,510 | | | | | $ (81,900) | | $ 38,610 |
| Net Loss | | | | | | | | | | $ (408,782) | $ (408,782) |
| Balance @ March 31, 2014 | 40,747,202 | $ 40,748 | 7,219,170,208 | $ 803,316 | (140,541) | $ (141) | $ (49,246) | $ (151,931) | $ 15,209,736 | $ (20,642,649) | $ (4,789,998) |
| Issuance of common stock for reduction of debt | | | 2,502,721,883 | $ 25,027 | | | | | $ 578,119 | | $ 602,977 |
| Sale of common stock in a private placement | | | 437,500,000 | $ 4,375 | | | | | $ 95,625 | | $ 100,000 |
| Common shares surrendered in exchange for preferred | | | (4,000,000,000) | $ (40,000) | | | | | $ 40,000 | | $ - |
| Preferred D issued in exchange of common | 2,473,589 | $ 2,273 | | | | | | | $ 2,526 | | $ 4,799 |
| Preferred G issued in exchange of common | 15,664 | $ 0 | | | | | | | $ - | | $ - |
| Net Loss | | | | | | | | | | $ (373,403) | $ (373,403) |
| Balance @ June 30, 2014 | 43,236,455 | $ 43,021 | 6,159,392,091 | $ 792,718 | (140,541) | $ (141) | $ (49,246) | $ (151,931) | $ 15,926,005 | $ (21,016,052) | $ (4,455,625) |

*See accompanying notes to condensed consolidated financial statements*

**NOTE 1 – GENERAL ORGANIZATION AND BUSINESS**

***Organization.*** COREWAFER INDUSTRIES, INC. (WAFR) is a holding company headquartered in Pembroke Park, FL, that currently oversees and manages two subsidiary companies across various industries. The goal of WAFR is to strategically acquire businesses with strong growth potential and a solid business plan in various industries including consumer goods, software and technology, and telecommunications.

Originally incorporated in New York in 1977, the company relocated its operations and state of incorporation to Florida in 1980. In 1984 the company went public on the NASDAQ stock market.

Historically, the principal source of revenues has been the sale of products to retailers.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES**

***Basis of Presentation***

Our condensed consolidated financial information included in this report has been prepared in accordance with accounting principles generally accepted in the United States ("GAAP") for interim financial information. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect amounts reported in the condensed consolidated financial statements and accompanying notes. Actual amounts may differ from these estimated amounts. Certain information and disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. The principles for interim financial information do not require the inclusion of all the information and footnotes required by GAAP for complete financial statements. Therefore, these financial statements should be read in conjunction with our Annual Report for the year ended December 31, 2012.

***Principles of Consolidation***

The consolidated financial statements include the accounts of COREwafer Industries, Inc. and its wholly-owned subsidiaries, Core Wafer Systems, Inc. and Northeast Expedite Logistics, LLC. All significant intercompany balances and transactions have been eliminated in consolidation.

***Cash and Cash Equivalents***

Cash and cash equivalents include cash in hand and cash in time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

***Property and Equipment***

Fixed assets are comprised of furniture and fixtures, computer equipment, purchased software and major categories of property and equipment and are stated at cost and depreciated using the straight-line method, over the estimated useful lives of the various classes of assets, as follows:

| | |
|---|---|
| Furniture, fixtures and equipment | 3 – 10 years |
| Computers and purchased software | 3 – 5 years |

***Intangible Assets***

The Company adopted Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144" or "ASC 360"), which addresses financial accounting and reporting for the impairment or disposal of long-lived assets and supersedes SFAS No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," and the accounting and reporting provisions of APB Opinion No. 30, "Reporting the Results of Operations for a Disposal of a Segment of a Business." The Company periodically evaluates the carrying value of long-lived assets to be held and used in accordance with SFAS 144. SFAS 144 requires impairment losses to be recorded on long-lived assets used in operations when indicators of impairment are present and the undiscounted cash flows estimated to be generated by those assets are less than the assets' carrying amounts. In that event, a loss is recognized based on the amount by which the carrying amount

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES (CONTINUED)**

exceeds the fair market value of the long-lived assets. Loss on long-lived assets to be disposed of is determined in a similar manner, except that fair market values are reduced for the cost of disposal.

The Company had a valuation performed on its wholly owned subsidiary, Core Wafer Systems, Inc. As a result of the analysis, it was determined that the fair values of the various intangible assets acquired from Core Wafer Industries, Inc. was $4,786,000 at October 25, 2012.

***Fair Value of Financial Instruments***
The Company's financial instrument consists of prepaid expenses, deposits, investments, customer deposits, accounts payable and accrued expenses, accrued interest, loans payable and loans payable to a related party. It is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from its other financial instruments and that their fair values approximate their carrying values except where separately disclosed.

***Revenue Recognition***
We recognize revenue in accordance with generally accepted accounting principles as outlined in the Securities and Exchange Commission's Staff Accounting Bulletin No. 104, *Revenue Recognition* (SAB 104 or ASC 605-10), which requires that four basic criteria be met before revenue can be recognized: (i) persuasive evidence of an arrangement exists; (ii) the price is fixed or determinable; (iii) collectability is reasonably assured; and (iv) product delivery has occurred or services have been rendered. Revenue from the sale of products is generally recognized after both the goods are shipped to the customer and acceptance has been received, if required. Our products are custom made for our customers, who primarily consist of original engineer manufacturers (OEMs), and we do not accept returns. Our products are shipped complete and ready to be incorporated into higher level assemblies by our customers. The terms of the customer arrangements generally pass title and risk of ownership to the customer at the time of shipment.

***Stock-Based Compensation***
In December 2004, the FASB issued SFAS No. 123R, "Share Based Payment" (ASC 718). SFAS No. 123R establishes the accounting for grants of stock options and other transactions in which an entity exchanges its equity instruments for goods or services. It also addresses transactions in which an entity incurs liabilities in exchange for goods or services that are based on the fair value of the entity's equity instruments or that may be settled by the issuance of those equity instruments. SFAS No. 123R (1) revises SFAS No. 123, "Accounting for Stock-Based Compensation," (2) supersedes Accounting Principles Bulletin ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," and (3) establishes fair value as the measurement objective for share-based payment transactions. The Company is following the provisions of SFAS No. 123R and has recorded compensation expenses related to the granting of stock options to employees.

***Income Taxes***
The Company provides for income taxes using an asset and liability approach. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities and the tax rates in effect currently. Deferred tax assets are reduced by a valuation allowance if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. No provision for income taxes is included in the statement due to its immaterial amount, net of the allowance account, based on the likelihood of the Company to utilize the loss carry-forward.

***Basic and Diluted Earnings (Loss) Per Share***
Earnings/(Loss) per share is calculated in accordance with the Statement of financial accounting standards No. 128 (SFAS No. 128 or ASC 260), "Earnings per share". SFAS No. 128 superseded Accounting Principles Board Opinion No.15 (APB 15). Net income (loss) per share for all periods presented has been restated to reflect the adoption of SFAS No. 128. Basic net loss per share is based upon the weighted average number of common shares outstanding. Diluted net loss per share is based on the assumption that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. Basic and diluted loss per share was $0.0002 and $.23 for the six months ended June 30, 2014 and 2013 respectively.

***Concentration of Credit Risk***
Financial instruments that potentially subject the Company to concentrations of credit risk are cash, accounts receivable and other receivables arising from its normal business activities. The Company places its cash in what it believes to be credit- worthy financial institutions. The Company has a diversified customer base. The Company controls credit risk related to accounts receivable through

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING PRACTICES (CONTINUED)**

credit approvals, credit limits and monitoring procedures. The Company routinely assesses the financial strength of its customers and, based upon factors surrounding the credit risk, establishes an allowance, if required, for uncollectible accounts and, as a consequence, believes that its accounts receivable credit risk exposure beyond such allowance is limited.

***Impairment of Long-lived Assets***
In accordance with ASC 360, "Property, Plant and Equipment", the Company reviews the carrying values of long-lived assets, including property, plant and equipment and other intangible assets, whenever facts and circumstances indicate that the assets may be impaired. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net undiscounted cash flows expected to be generated by the asset. If an asset is considered impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the asset exceeds the fair value. Assets to be disposed of are reported at the lower of the carrying amount or fair value, less costs of disposal. The Company last performed annual reviews of its long-lived assets at December 31, 2013 and 2012. In 2013, the Company decided to impair the goodwill in total and further impair other intangible assets. The amount of impairment loss in 2012 was $3,400,000 (as restated).

***Goodwill***
The Company recognizes goodwill for the excess of the purchase price over the fair value of the identifiable net assets of the business acquired. ASC 350 "Intangible Assets-Goodwill and Other", an impairment test for goodwill is undertaken by the Company at the reporting unit level annually, or more frequently if events or changes in circumstances indicate that goodwill might be impaired. The Company recorded impairment of goodwill related to its subsidiary, Core Wafer Systems, Inc.

***Recent Accounting Pronouncements***
In July 2013, the FASB issued Accounting Standards Update No. 2013-11, Income Taxes (Topic 740): Presentation of an Unrecognized Tax Benefit When a Net Operating Loss Carryforward, a Similar Tax Loss, or a Tax Credit Carryforward Exists (“ASU 2013-11”). ASU 2013-11 requires an entity to present an unrecognized tax benefit as a reduction of a deferred tax asset for an net operating loss (“NOL”) carryforward, or similar tax loss or tax credit carryforward, rather than as a liability when (1) the uncertain tax position would reduce the NOL or other carryforward under the tax law of the applicable jurisdiction and (2) the entity intends to use the deferred tax asset for that purpose. ASU 2013-11 does not require new recurring disclosures. ASU 2013-11 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2013. We will adopt ASU 2013-11 prospectively in the first quarter of fiscal 2015 and do not anticipate adoption will impact our statements of financial position or results of operations.

**NOTE 3 – PROPERTY AND EQUIPMENT**

Fixed assets and accumulated depreciation consist of the following at June 30, 2014 and 2013:

| | June 30, | |
|---|---|---|
| | 2014 | 2013 |
| Computers and Office Equipment | $ 243,833 | $ 243,833 |
| Test Equipment | $ 161,802 | $ 148,675 |
| Accumulated Depreciation | $ (405,635) | $ (392,508) |
| Total | $ - | $ - |

Depreciation expense was $0 during the six months ended June 30, 2014 and 2013.

**NOTE 4 – VALUATION OF INTANGIBLE ASSETS AND GOODWILL**

A valuation was done for the purposes of the October 25, 2012 purchase of Core Wafer Systems, Inc. the fair values of the various intangible assets acquired at October 25, 2012 are:

**NOTE 4 – VALUATION OF INTANGIBLE ASSETS AND GOODWILL (CONTINUED)**

| ($ in thousands) | | Fair Value |
|---|---|---|
| | | |
| Working Capital | | $ (1,364.3) |
| Tangible Proberty | | 56.9 |
| Identifiable Intangible Property | | |
| Trade Name | 210.0 | |
| Trademarks | 402.9 | |
| Software | 2,416.7 | |
| Customer Relations | 101.4 | |
| Total Identifiable Intangible Property | | 3,131.0 |
| Assets Acquired in Excess of Enterprise Value | | 2,962.4 |
| | | |
| **Value of consideration Paid** | | **$ 4,786.0** |

The Company last performed annual reviews of its long-lived assets at December 31, 2013 and 2012. In 2013, the Company decided to impair the goodwill in total and further impair other intangible assets:

| ($ in thousands) | | |
|---|---|---|
| | | |
| Development Costs | | 495.0 |
| Trademarks | | 2.1 |
| Software | | 3,700.0 |
| | | |
| **Value of Intangible Assets Before Impairment** | | **$ 4,197.1** |

**NOTE 5 – NOTES PAYABLE**

On December 17, 2009, the Company's wholly owned subsidiary, Core Wafer Systems, Inc. (CWS) entered into a Promissory Note in the principal amount of $129,666 with interest at a rate of 8.75% per year for cash payments received by the company for working capital. All principal and interest accruing under the Notes is due on varying dates on or before November 30, 2010. As of June 30, 2014, the Company was in default with the terms of this note which has a remaining principal balance of approximately $57,000.

In 2010, the Company's wholly owned subsidiary, Core Wafer Systems, Inc. (CWS) entered into Promissory Notes with four individuals in the aggregate principal amount of $355,000 with varying interest rates for cash payments received by the company for working capital. All principal and interest accruing under these Notes was due on or before November 30, 2010. As of June 30, 2014, the Company there are two remaining notes with a principal balance of $150,000; the Company was in default with the terms of these notes.

In 2011, the Company's wholly owned subsidiary, Core Wafer Systems, Inc. (CWS) entered into Promissory Notes with seven individuals in the aggregate principal amount of $382,500 with varying interest rates for cash payments received by the company for working capital. All principal and interest accruing under these Notes was due on or before December 31, 2011. As of June 30, 2014, the Company issued common stock in settlement of $150,000 principal plus accrued interest for one note and was in default with the terms of the remaining notes.

**NOTE 5 – NOTES PAYABLE (CONTINUED)**

On February 20, 2011, the Company entered into a Convertible Promissory Note as settlement of an old accounts payable amount incurred prior to 2008 with a certain vendor. The principal amount of the note is $487,773 with interest at 8% per annum. As of June 30, 2014, approximately $231,900 of the note's principal has been converted into shares of the company's common stock.

On October 31, 2011, the Company's wholly owned subsidiary, Core Wafer Systems, Inc. (CWS) entered into a Promissory Note for the acquisition of certain intellectual property and other expenses in the principal amount of $2,866,981 with interest at the rate of 4% annually. Payment is due upon demand at such time CWS retains adequate capital to sustain normal operations. As of June 30, 2014 the Company has paid approximately $13,296 and converted approximately $518,756 toward the principal amount of the note.

On November 30, 2011, the Company entered into an Installment Promissory Note with Magsamen Consulting, LLC in the principal sum of $195,000 without interest, as settlement of a default judgment. The initial payment of $20,000 was also paid on November 30, 2011, with an additional payment of $25,000 due on or before March 3, 2012 then quarterly payments of $18,750 thereafter, beginning June 15, 2012. On March 5, 2012 the company made a partial payment in the amount of $12,500 toward the first installment. As of June 30, 2014, no other payments have been made.

In 2012, the Company's wholly owned subsidiary, Core Wafer Systems, Inc. (CWS) entered into Promissory Notes with three individuals in the aggregate principal amount of $132,000 with varying interest rates for cash payments received by the company for working capital. All principal and interest accruing under these Notes was due on or before December 31, 2012. As of June 30, 2014, the Company issued common stock in settlement of $120,000 principal plus accrued interest for one note and was in default with the terms of the remaining two notes.

On January 23, 2013, the Company's wholly owned subsidiary, Core Wafer Systems, Inc. (CWS) entered into a Promissory Note in the principal amount of $100,000 with interest at a rate of 3% per year for cash payments received by the company for working capital. The Note is payable on or about March 31, 2013 or may be converted into the company's common stock. As of June 30, 2014 no payments have been made and the note has not been converted into common stock.

The outstanding balances for notes payable is summarized as follows:

| Description | 6-30-2014 | 6-30-2013 |
|---|---|---|
| Principal | $ 4,975,350 | $ 5,744,696 |
| Less: Payments/Adjustments | (993,866) | (799,960) |
| Plus: Accumulated Interest | 415,233 | 382,310 |
| Total Notes Payable | 4,396,717 | 5,327,046 |

**NOTE 6 – GOING CONCERN**

These financial statements have been prepared assuming that the Company will continue as a going concern. The Company has operating and liquidity concerns, current liabilities exceeded current assets by $ 946,582 at June 30, 2014, and has reported a net loss of $ 906,966 during the six months ending June 30, 2014. These conditions raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the outcome of these uncertainties.

Management is in negotiations with the company holding the rights to certain software so that the Company can begin making updates to that software and begin selling those products.

The Company's continued existence is dependent upon its ability to successfully execute its business plan. The financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of liabilities that may result from the outcome of this uncertainty.

**NOTE 7 – STOCKHOLDERS' EQUITY**

***Authorized***

The Company is authorized to issue 8,964,324,990 shares of $0.00001 par value common stock and 35,675,010 shares of $0.00001 par value preferred stock. All common stock shares have equal voting rights, are non-assessable and have one vote per share. Voting rights are not cumulative and, therefore, the holders of more than 50% of the common stock could, if they choose to do so, elect all of the directors of the Company. The preferred shares may be issued in series, with the powers, rights and limitations of the preferred shares to be determined by the Board.

On February 27, 2014 the Nevada Secretary of State accepted for filing a Certificate of Amendment increasing the Company's authorized common stock from 150,000,000 with a par value of $0.001 to 1,964,324,990 with a par value of $0.00001, and to increase the Company's authorized preferred stock from 10,000,000 to 35,675,010 with a par value of $0.00001. The amendment was approved by the shareholders and directors on January 30, 2014.

On March 19, 2014 the Nevada Secretary of State accepted for filing a Certificate of Amendment increasing the Company's authorized common stock from 700,000,000 with a par value of $0.001 to 8,964,324,990 with a par value of $0.00001, and to decrease the Company's authorized preferred stock from 75,000,000 to 35,675,010 with a par value of $0.00001. The amendment was approved by the directors on January 30, 2014.

On November 22, 2013 the Nevada Secretary of State accepted for filing a Certificate of Amendment increasing the Company's authorized common stock from 150,000,000 with a par value of $0.001 to 700,000,000 with a par value of $0.001, and to increase the Company's authorized preferred stock from 50,000,000 to 75,000,000 with a par value of $0.001. The amendment was approved by the directors on October 19, 2013.

On January 3, 2012 the Florida Secretary of State accepted for filing a Certificate of Amendment increasing the Company's authorized common stock from 25,000,000 with a par value of $0.001 to 150,000,000 with a par value of $0.001, and to increase the Company's authorized preferred stock from 10,000,000 to 50,000,000 with a par value of $0.001. The amendment was approved by the shareholders and directors on December 28, 2011.

***Dividends***

On March 27, 2013, the Company declared a special common stock dividend equal to 1 share for every 20 share block of its outstanding shares of common stock. The dividend was paid on May 13, 2013 to shareholders of record as of May 3, 2013.

***Preferred Stock***

On January 30, 2014, the Board of Directors duly adopted and approved a resolution further amending the Articles of Incorporation of the Company (the "Amendment") to establish the designations, powers, preferences and relative, participating, optional or other special rights, and the qualifications, limitations and restrictions of Ten (10) shares of Series F Convertible Preferred Stock of the Company which will be used in the full or partial retirement of debt held by management, employees and/or consultants of the Company.

On January 30, 2014, the Board of Directors duly adopted and approved a resolution further amending the Articles of Incorporation of the Company (the "Amendment") to establish the designations, powers, preferences and relative, participating, optional or other special rights, and the qualifications, limitations and restrictions of Ten Million (10,000,000) shares of Series G Convertible Preferred Stock of the Company which will be used in the full or partial retirement of debt held by management, employees and/or consultants of the Company.

On April 19, 2012, the Board of Directors adopted and approved a resolution to amend the Articles of Incorporation of the Company to establish the designations, powers, preferences and relative, participating, optional or other special rights, and the qualifications, limitations and restrictions of the shares of Series B Convertible Preferred Stock of the Company. Twenty Million (20,000,000) shares of the authorized shares of preferred stock were thereby designated "Series B Convertible Preferred Stock" (Series B Stock) at a par value of $0.001 per share.

***Financing Operations***

On January 7, 2014, the issuer filed a Form D Notice of Exempt Offering of Securities for the sales of its common stock under Rule 504 (b)(1)(ii) and Rule 504 (b)(1)(iii) under the jurisdiction of the State of Delaware. The total number of shares sold was 12,400,000. The shares were offered at a discount off market and the total proceeds paid to the issuer/company was $10,000. These shares were all issued as freely tradable without restrictive legend stating that the shares have not been registered under the

**NOTE 7 – STOCKHOLDERS' EQUITY (CONTINUED)**

Securities Act and setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

On January 16, 2014, the issuer filed a Form D Notice of Exempt Offering of Securities for the sales of its common stock under Rule 504 (b)(1)(ii) and Rule 504 (b)(1)(iii) under the jurisdiction of the State of Delaware. The total number of shares sold was 14,500,000. The shares were offered at a discount off market and the total proceeds paid to the issuer/company was $12,000. These shares were all issued as freely tradable without restrictive legend stating that the shares have not been registered under the Securities Act and setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

On January 29, 2014, the issuer filed a Form D Notice of Exempt Offering of Securities for the sales of its common stock under Rule 504 (b)(1)(ii) and Rule 504 (b)(1)(iii) under the jurisdiction of the State of Delaware. The total number of shares sold was 38,000,000. The shares were offered at a discount off market and the total proceeds paid to the issuer/company was $22,000. These shares were all issued as freely tradable without restrictive legend stating that the shares have not been registered under the Securities Act and setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

On February 14, 2014, the issuer filed a Form D Notice of Exempt Offering of Securities for the sales of its common stock under Rule 504 (b)(1)(ii) and Rule 504 (b)(1)(iii) under the jurisdiction of the State of Delaware. The total number of shares sold was 55,000,000. The shares were offered at a discount off market and the total proceeds paid to the issuer/company was $30,000. These shares were all issued as freely tradable without restrictive legend stating that the shares have not been registered under the Securities Act and setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

On February 24, 2014, the issuer filed a Form D Notice of Exempt Offering of Securities for the sales of its common stock under Rule 504 (b)(1)(ii) and Rule 504 (b)(1)(iii) under the jurisdiction of the State of Delaware. The total number of shares sold was 61,000,000. The shares were offered at a discount off market and the total proceeds paid to the issuer/company was $25,000. These shares were all issued as freely tradable without restrictive legend stating that the shares have not been registered under the Securities Act and setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

On March 4, 2014, the issuer filed a Form D Notice of Exempt Offering of Securities for the sales of its common stock under Rule 504 (b)(1)(ii) and Rule 504 (b)(1)(iii) under the jurisdiction of the State of Delaware. The total number of shares sold was 62,500,000. The shares were offered at a discount off market and the total proceeds paid to the issuer/company was $25,000. These shares were all issued as freely tradable without restrictive legend stating that the shares have not been registered under the Securities Act and setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

***Stock-Based Compensation – Common Stock***
During the six months ending December 31, 2014 and 2013, the Company issued 5,335,572,543 and 8,273,257 shares of its common stock valued at $1,296,277 and $139,979, respectively, for services provided to the Company; shares issued to board members for services rendered (58,976,660 and 3,788,212 shares respectively), shares issued to consultants for professional services (150,000,000 and 1,000,000 shares respectively), shares issued to convertible promissory note holders in settlement of debt (3,126,595,883 and 0 shares respectively), shares issued to management for settlement of debt (2,000,000,000 and 0 shares respectively) and shares issued for a stock dividend (0 and 3,485,045 shares respectively).

***Stock-Based Compensation – Preferred Stock***
During the six months ending June 30, 2014 and 2013, the Company issued 23,590,664 and 500,000 shares of its Series B preferred stock valued at $40,000 and $7,500, respectively, for services provided to the Company; compensation to employees (0 and 500,000 shares respectively), shares issued to board members (23,590,664 and 0 shares respectively).

During the six months ending June 30, 2014 and 2013, the Company issued 2,473,589 and 0 shares of its Series D preferred stock, in exchange for common shares.

During the six months ending June 30, 2014 and 2013, the Company issued 15,664 and 0 shares of its Series G preferred stock respectively, in exchange for common shares.

**NOTE 8 – SEGMENT REPORTING**

SFAS No. 131, "Disclosures about Segments of an Enterprise and Related Information", established standards for reporting

**NOTE 8 – SEGMENT REPORTING (CONTINUED)**

information about operating segments in annual financial statements and required selected information about operating segments in interim financial reports issued to stockholders. It also established standards for related disclosures about products, services, and geographic areas. Operating segments are defined as components of the enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision making group, in deciding how to allocate resources and in assessing performance.

The Company has two reportable operating segments: Core Wafer Systems, Inc., and Northeast Expedite Logistics, LLC The accounting policies of each segment are the same as those described in the summary of significant accounting policies. Each segment has its own product manager but the overall operations are managed and evaluated by the Company's chief operating decision makers for the purpose of allocating the Company's resources. The Company also has a corporate headquarters function which does not meet the criteria of a reportable operating segment. Interest expense and corporate expenses are not allocated to the operating segments.

The table below presents information about reportable segments for the period ended June 30, 2014 and 2013:

| | 6/30/2014 | 6/30/2013 |
|---|---|---|
| **Revenues** | | |
| Core Wafer Systems, Inc. | $ - | $ 88,555 |
| Northeast Expedite Logistics, LLC | - | 139,850 |
| Consolidated revenues | $ - | $ 228,405 |
| | | |
| **Operating expense** | | |
| Core Wafer Systems, Inc. | 73,558 | $ 242,050 |
| Northeast Expedite Logistics, LLC | (577) | 15,658 |
| Segment Income (loss) | (72,981.40) | (29,303) |
| Corporate | 713,544 | 312,038 |
| Consolidated operating loss | $ (786,525) | $ (341,341) |
| | | |
| **Depreciation and amortization** | | |
| Core Wafer Systems, Inc. | $ - | $ - |
| Northeast Expedite Logistics, LLC | - | - |
| Segment total | - | - |
| Corporate | - | - |
| Consolidated depreciation and amortization | $ - | $ - |

The table below reconciles the measurement of segment expenses shown in the previous table to the Company's consolidated loss before taxes:

| | June 30, | |
|---|---|---|
| | 2014 | 2013 |
| Total segment income(loss) before interest expense | $ (16,860) | $ 118,926 |
| Operating income(expense) - corporate | (698,530) | (312,038) |
| Other income(expense) - corporate | (103,774) | 103,774 |
| Interest expense | (87,801) | (148,229) |
| Net loss | $ (906,965) | $ (237,567) |

The table below shows information regarding segment assets:

**NOTE 8 – SEGMENT REPORTING (CONTINUED)**

| | | |
|---|---|---|
| **Segment Assets** | | |
| Core Wafer Systems, Inc. | $ 1,246,648 | $ 4,963,045 |
| Northeast Expedite Logistics, LLC | 55,990 | 55,433 |
| Segment total | 1,302,638 | 5,018,478 |
| Corporate | 772,952 | 3,342,417 |
| | $ 2,075,590 | $ 8,360,895 |

The Company did not generate any revenues outside the United States for the period ended June 30, 2014 and 2013, and the Company did not have any assets located outside the United States.

**NOTE 9 – RELATED PARTY TRANSACTIONS**

During the six month period ended June 30, 2014, the Company's chief financial officer advanced $10,500 to the Company for working capital.

On October 31, 2011 the Company's wholly owned subsidiary, Core Wafer Systems, Inc. (CWS) entered into a Promissory Note with a related party for the acquisition of certain intellectual property and other development costs in the principal amount of $2,866,981 with interest at the rate of 4% annually. Payment is due upon demand at such time CWS retains adequate capital to sustain normal operations. As of June 30, 2014 approximately $518,756 has been converted into the company's common stock.

**NOTE 10 – COMMITMENTS AND CONTINGENCIES**

***Employment agreements***

On June 22, 2013, the chief executive officer tendered his resignation according to the terms of his employment agreement. Compensation under the agreement called for a minimum salary of $10,000 per month plus additional cash and stock compensation upon the achievement for various milestones. The Company has not made certain cash payments due under the agreement. As of June 30, 2014, $277,000 has been accrued as compensation payable.

Effective June 22, 2013, the Company entered into an employment agreement with our chief executive officer. Under the terms of the agreement, employment continues until another chief executive officer is appointed by a majority of our Board of

Directors, either party terminates in accordance with the provisions of the Agreement. Compensation under the agreement called for a minimum salary of $10,500 per month. The salary may be re-negotiated when new funds/investment are available for the

Company. The Company has not made certain cash payments due under the agreement and as of June 30, 2014, $57,762 has been accrued as compensation payable.

On May 31, 2011, the Company entered into an employment agreement with our chief financial officer for a period of two years. This agreement is renewable unless either party terminates in accordance with the provisions of the Agreement, or by death or permanent disability and called for a minimum salary of $10,000 per month plus additional cash and stock compensation.

Effective June 1, 2013, the Company renewed the employment agreement with our chief financial officer for an additional two year period. The agreement calls for a minimum salary of $14,583 per month plus additional cash and stock compensation. All other terms of the renewal agreement remain the same as the original agreement.

The Company has not made certain cash payments due under these agreements. As of June 30, 2014, $180,468, has been accrued as compensation payable and deferred salary.

**NOTE 10 – COMMITMENTS AND CONTINGENCIES (CONTINUED)**

***Legal Proceedings***

During 2009, Ronald Kaplan, a former officer and employee of the company filed a complaint in the Circuit Court for the 9th Judicial Circuit in and for Orange County, Florida against the Company claiming damages exclusive of attorneys' fees and costs, for unpaid wages and personal expenses aggregating $75,479.63. On November 9, 2009 the court granted a default judgment on behalf of Ronald Kaplan. The company believes this claim is without merit and has retained legal counsel to move to have the default judgment vacated.

On September 28, 2009, Baker, Govern & Baker PA filed a complaint in the Circuit Court for the 9th Judicial Circuit in and for Orange County, Florida against the Company claiming damages, exclusive of attorneys' fees and costs, for breach of contract aggregating $28,562.70. On September 17, 2010 the court granted a default judgment on behalf of Baker, Govern & Baker PA. The company believes this claim is without merit and has retained legal counsel to move to have the default judgment vacated.

In April 2009, we received a demand letter from our former CFO, Robert Burrows, alleging cash and stock compensation due in the amount of approximately $250,000. On July 27, 2010, the court granted a default judgment in the amount of $431,530.39 on behalf of Robert Burrows. The company believes this claim is without merit and has retained legal counsel to move to have the default judgment vacated.

On December 11, 2008, the Company entered into a Settlement Agreement with Magsamen Consulting, LLC a consultant of the Company. Upon execution of the Settlement Agreement the Development Agreement terminated. Pursuant to the Settlement Agreement, the Company agreed to pay $100,000 to Magsamen and upon full payment; the Company and Magsamen will executive general releases. All amounts owed under the Settlement Agreement have been recorded as liabilities and charged to expense as of December 31, 2008. In a bench trial on April, 19, 2010, a judgment was ordered in the Circuit Court for Baltimore County in and for the State of Maryland against the Company for non-payment of the cash payment and certain expenses as provided for in the Settlement Agreement of December 11, 2008 in the amount of $194,903.31. The Company retained legal counsel to resolve the matter and on November 30, 2011 entered in to an Installment Promissory Note and Confession of Judgment (Note) with Magsamen. As of June 30, 2014 the Company has made only one of the required payments under the terms of the Note.

In June 2008, Debra Rutledge, Eric Rutledge & Jeanne Moore v. Action Products International, Inc., Action Toys, Inc., Action Healthcare Products, Inc., Curiosity Kits, Inc., Warren Kaplan and Judith Kaplan, Case No. 6:09-cv-1245-Orl-35GJK in the United States Middles District Court, District of Florida, Orlando Division. This is a default judgment in the amount of approximately $354,607. Plaintiffs allege a breach by the company of an oral contract and claim damages for failure to pay minimum wages, breach of contract, back pay with benefits and penalties for COBRA and ARRA violations. On June 28, 2008, the Company obtained legal counsel and filed its answer to the complaint however counsel for the Company was later allowed to withdraw and a default judgment was entered on October 7, 2010. In 2011 under the direction of the newly hired CEO, Gary Polistena, the Company retained legal counsel to defend the Company against the claim and to have the judgment vacated. On November 17, 2011 the Company presented an offer of settlement to the Plaintiffs in the approximate amount of $30,000 plus attorney's fees. As of June 30, 2014 the Company is confident that the Plaintiffs will accept the offer.

On November 15, 2012, the Issuer received a letter from the attorneys representing Sandia Technologies, et. al., with regard to the Settlement Agreement entered into with CWS on July 25, 2012. In the original Settlement Agreement, prior Management of CWS agreed to pay to Sandia Technologies the sum of $500,000 for all rights and licenses of IP, copyrights, trademarks, etc. for the PDQ Suite purchased from ST in December, 2005. Payment was to be made by CWS within 90 days of the settlement date. CWS failed to make the payment as agreed and as a result, Sandia Technologies has requested payment be made in full by 5:00 p.m. on Tuesday, November 20, 2012 or, in the alternative, that the terms of the settlement be modified. The Settlement Agreement stems from a lawsuit that was filed in the State of New Mexico, County of Bernalillo, Second Judicial District Court, No. CV 2010-10561 by CWS against ST for their release of IP, copyrights, trademarks, etc. for the PDQ Suite purchased from ST in December, 2005. Sandia claims the agreement was verbally modified in 2006 to increase the payment another $400,000. Although verbal changes are prohibited in the agreement, CWS believed it was necessary to litigate and seek a pre-emptive judgment for total and absolute ownership as well as damages due to ST using this IP for their enrichment. Additionally, Mr. Pierce asserted a 15.8% ownership in CWS. On August 2, 2013, the Company filed Plaintiffs' Response to Defendants' Motion for Order to Show Cause. A hearing was held in the matter on November 5, 2013 in the Bernalillo County Courthouse in Albuquerque, NM. Because the Company did not have legal counsel a final judgment was entered.

Under the terms of the final judgment Core Wafer Systems, Inc. is enjoined, until the judgment is paid in full, from all use of the Software Property in the case and its derivatives. The Company continues to work with Plaintiff's attorneys to reach an acceptable

**NOTE 10 – COMMITMENTS AND CONTINGENCIES (CONTINUED)**

payment agreement and to comply with the court rulings. As of June 30, 2014 no agreement has been reached and the Company continues to raise an adequate amount of capital to satisfy this obligation.

On April 6, 2013 the Company received a Notice of Default on behalf of its wholly owned subsidiary, Northeast Expedite Logistics, LLC from AeroFund Financial in the amount of $55,900. This notice stems from a bankruptcy filing of a major customer. The terms of the factoring agreement with AeroFund state that if any of the Company's customers declares bankruptcy the agreement is terminated and all open receivables become due immediately. As of June 30, 2014, the Company has not made any payments.

On or about July 15, 2013 the Company received a copy of a Notice of Default regarding a Promissory Note and Guaranty dated January 23, 2013, entered into by its wholly owned subsidiary, Core Wafer Systems, Inc. (CWS) and Roger Goetz personally. The principal amount of the Note was $100,000 plus a "factoring fee" of 3% totaling $103,000 which was to be repaid on or before March 21, 2013. On July 25, 2013 the Company complied with the Notice of Default by providing copies of documents relevant to the merger and acquisition of CWS. On August 9, 2013, in a follow up telephone call to the Note holders' attorney, the Company was informed that a formal complaint had been filed in the Third Judicial District Court of Southeast Minnesota, Case No. 81-CV-13-644 on or about July 30, 2013, and that on August 8, 2013 a Default Judgment was entered in the amount of $103,652.00 against Roger Goetz and Core Wafer Systems, Inc.

On August 8, 2013, the Company discovered that a judgment had been entered against its wholly owned subsidiary, Core Wafer Systems, Inc., in the amount of $109,978.90, as a co-defendant along with Roger Goetz, DeRaad & Goetz, LLC and WTOH Investors, LLC in a complaint filed on or about February 19, 2013 in the Third Judicial District Court of Southeast Minnesota, Case No. 81-CV-13-144 stemming from business dealings between Goetz and plaintiff beginning in 2005. The Company had no prior knowledge of the filing of the Complaint nor the circumstances which lead to the Complaint and subsequent judgment.

On or about August 26, 2013, through our Registered Agent, the Company received notice of Order Continuing Case Management Conference with regard to a complaint filed on September 11, 2012 against its wholly owned subsidiary Core Wafer Systems, Inc., in the Superior Court of California, County of San Francisco, case number CGC-12-524080, for unpaid legal fees and costs in the amount of $51,896.21. The notice sets a case management conference for April 26, 2014 for plaintiff to obtain a default judgment against COREwafer Industries, Inc. The Company had no prior knowledge of the legal proceedings against Core Wafer Systems in this matter and will take appropriate measures to defend against it.

***Operating Leases***
The organization does not currently maintain a "brick and mortar" presence. All employees and/or consultants work from home-based offices.

**NOTE 11 – INCOME TAXES**

The Company recognizes deferred tax liabilities and assets for the expected future tax consequences of events that have been included in its financial statements or tax returns. Deferred income tax liabilities and assets are determined based on the difference between the financial statement and tax bases of liabilities and assets using enacted tax rates in effect for the year in which the differences are expected to reverse.

The Company applies the provisions of FASB, Interpretation No. 48, or FIN 48, "Accounting for Uncertainty in Income Taxes – an Interpretation of FASB Statement 109." FIN 48 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities.

The amount recognized is measured as the largest amount of benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. When applicable, the Company will include interest and penalties related to uncertain tax positions in income tax expense.

The benefit for income taxes from continued operations for the periods ended June 30, 2014 and 2013 consist of the following:

**NOTE 11 – INCOME TAXES (CONTINUED)**

| | | 2014 | | 2013 |
|---|---|---|---|---|
| Current: | | | | |
| Federal | $ | - | $ | - |
| State | | - | | - |
| Deferred: | | | | |
| Federal | | 7,355,618 | | 5,707,280 |
| State | | - | | - |
| | | 7,355,618 | | 5,707,280 |
| Increase in valuation allowance | | (7,355,618) | | (5,707,280) |
| Benefit for income taxes, net | $ | - | $ | - |

The benefits for 2014 and 2013 were computed by applying the federal and state statutory corporate tax rates as follows:

| | |
|---|---|
| Statutory federal income tax rate | 35.0 % |
| State income taxes | 0.0 % |
| Valuation allowance | (35.0)% |
| Effective tax rate | (0.0)% |

The net deferred tax assets and liabilities are comprised of the following:

| | | 2014 | | 2013 |
|---|---|---|---|---|
| Deferred tax assets: | $ | - | $ | - |
| Current | | - | | |
| Non-current | | 7,355,618 | | 5,707,280 |
| Less: valuation allowance | | (7,355,618) | | (5,707,280) |
| Net deferred income tax asset | $ | - | $ | - |

At June 30, 2014, the Company had federal net operating loss carry-forwards totaling approximately 21,000,000 which expires in various years through 2028.

**NOTE 12 – SUBSEQUENT EVENTS**

***Financing Operations.***

From July 1, 2014 through August 4, 2014 the Company's chief financial officer advanced an additional $7,500 to the Company for working capital.

***Common Stock.***

Subsequent to June 30, 2014 the Company issued 500,000,000 shares of its common stock. These shares were issued to a convertible promissory note holder.