



WIALAN TECHNOLOGIES, INC.

QUARTERLY REPORT

JUNE 30, 2014

Wialan Technologies, Inc.

OTC Pink Basic Disclosure Guidelines

1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

Current Name: **Wialan Technologies, Inc. as of January 22, 2014**

Former Name: **Name changed to American Community Development Group, Inc. as of February 5, 2010**

Former Name: **Name changed to Rockbands, Inc. as of April 02, 2008**

Former Name: **Name changed to DTI, Inc. as of April 27, 1987**

Former Name: **Originally incorporated as Fortsbridge, Ltd. on February 25, 1985**

Taxpayer ID #: 26-3092712

2) Address of the issuer's principal executive offices

Company Headquarters

10273 NW 45th Street

Sunrise, Florida 33351

Phone: 954.749.3481

Email: investors@wialan.com

Website(s): www.wialan.com

IR Contact

Address 1: N/A

3) Security Information

Trading Symbol: **WLAN (from January 22, 2014); ACYD to January 21, 2014**

Exact title and class of securities outstanding: common shares

CUSIP: **96685A107** (from January 22, 2014)

025221102 (to January 21, 2014)

Par or Stated Value: **\$ 0.0001**

Total shares authorized: **3 500,000,000** as of: June 30, 2014

Total shares outstanding **2,533,333,333** as of: June 30, 2014

Additional class of securities (if necessary):

Trading Symbol:

Exact title and class of securities outstanding: preferred shares :

Par or Stated Value: **\$ 0.0001**

Total shares authorized: **75,000,000** as of: June 30 2014

Total shares outstanding: **0** as of June 30, 2014

Transfer Agent

Name: **ClearTrust, LLC**

16540 Pointe Village Drive

Suite 206

Lutz, Florida 33558

Phone: 813.235.4490

Is the Transfer Agent registered under the Exchange Act?* Yes: **X** No:

*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any restrictions on the transfer of security: **None**

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

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months: **On July 26, 2013 the Company increased its authorized commons shares to 3,500,000,000 shares. Additionally, the Company merged with Wialan Technologies , LLC on August 28, 2013.**

4) Issuance History

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of equity securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities.

Calendar 2012

During the first quarter of 2012, there was a partial conversion of principal and accrued interest totaling \$ 41,759 into the Company's common stock relating to a convertible note originally issued for \$300,000 on March 28,2009. This partial conversion resulted in the exchange and issuance of 28,606,371 unrestricted shares of the Company's common stock. Also during the first quarter of 2012, there was a partial conversion of principal of \$ 18,000 into the Company's common stock relating to a convertible zero interest note originally issued for \$25,000 on January 12,2012. This partial conversion resulted in the exchange and issuance of 10,495,175 restricted shares of the Company's common stock. , Further, during the first quarter of 2012, the Issuer sold to Vincent Koehler 2,750,000 shares of Common Stock for \$20,000 at an offering and sales price of \$ 0.00727 per shares for a total sale of 2,750,000 shares of Common Stock and proceeds of \$20,000. The Issuer relied upon Section 4(2) of the Securities Act and the relevant state exemption for isolated and limited sales in the State New York General Business Law, Article 23-A, Section 352-g. Reliance was based upon the following factors: (a) the issuance of the securities was an isolated private transaction by us which did not involve a public offering and no advertising or general solicitation was used; (b) there were only a limited number of offerees; who were previously known to us and our affiliates; (c) there were no subsequent or contemporaneous public offerings of the securities by the Issuer; (d) the securities were not broken down into smaller denominations; and (e) the negotiations for the sale of the stock took place directly between the offeree and the Issuer, and (f) the securities bear a restrictive legend and the transfer agent was notified of the restriction. The securities are non-trading.

During the second quarter of 2012, the original \$300,000 note that was convertible to the Company's common stock was partially converted. \$7,567 of the note and unpaid interest were converted in exchange for 13,142,423 unrestricted shares of the Company's common stock. This loan originated on March 28, 2008. Also during the second quarter of 2012, the original \$25,000 note that was convertible to the Company's common stock was converted in total. The \$21,688 remaining note and unpaid interest were converted in exchange for 12,859,694 unrestricted shares of the Company's common stock. This loan originated on March 30, 2011.

During the second quarter of 2012, the original \$25,000 zero interest note that was convertible to the Company's common stock was partially converted. \$9,500 of the note was converted in exchange for 13,571,429 restricted shares of the Company's common stock, issued with a restrictive legend as non-trading. This loan originated on January 12, 2012.

Further, during the second quarter of 2012, the Issuer sold 24,400,000 shares of Common Stock for \$50,000 at an offering and sales price of \$0.00205 per shares for a total sale of 24,400,000 shares of Common Stock and proceeds of \$50,000. The Issuer relied upon Rule 504 exempt offering under the Securities Act of 1933 and filed Form D via EDGAR to the Securities and Exchange Commission.

Further, during the second quarter of 2012, 1,010,101 restricted shares of the Issuer's common stock were issued for

corporate services rendered. The certificates contain a restrictive legend stating the shares have not been registered under the Securities Act and setting forth the restrictions on transferability. The 1,010,101 shares were issued to Brant Doell, then a Director.

During the third quarter of 2012, the original \$300,000 note that was convertible to the Company's common stock was partially converted. \$62,962 of the note and unpaid interest were converted in exchange for 39,719,017 unrestricted shares of the Company's common stock. This loan originated on March 28, 2008. Also, during the third quarter of 2012, the original \$70,000 note that was convertible to the Company's common stock was partially converted. \$32,101 of the note and unpaid interest were converted in exchange for 29,862,058 unrestricted shares of the Company's common stock. This loan originated on November 10, 2009.

Further, during the third quarter of 2012, a \$25,000 portion of the original \$70,000 note that was convertible to the Company's common stock was assigned on July 18, 2012 and was partially converted. \$16,000 of the note and unpaid interest was converted in exchange for 17,956,656 unrestricted shares of the Company's common stock. The original \$70,000 loan was originated on November 10, 2009.

Further, during the third quarter of 2012, 934,579 restricted shares of the Issuer's common stock were issued for corporate services rendered. The certificates contain a restrictive legend stating the shares have not been registered under the Securities Act and setting forth the restrictions on transferability. The 934,579 shares were issued to Brant Doell, Director.

During the fourth quarter of 2012, the original \$300,000 note that was convertible to the Company's common stock was partially converted. During the fourth quarter of 2012, a \$25,000 portion of the original \$70,000 note that was convertible to the Company's common stock was assigned on July 18, 2012 and was partially converted. \$5,000 of the note and unpaid interest was converted in exchange for 12,500,000 unrestricted shares of the Company's common stock. The original \$70,000 loan was originated on November 10, 2009. Also, during the fourth quarter of 2012, a \$20,899 portion of the original \$70,000 note that was convertible to the Company's common stock was assigned on September 5, 2012 and was partially converted. \$7,800 of the note and unpaid interest was converted in exchange for 19,500,000 unrestricted shares of the Company's common stock. The original \$70,000 loan was originated on November 10, 2009.

Further, during the fourth quarter of 2012, the Issuer sold 27,200,000 shares of Common Stock for \$15,000 at an offering and sales price of \$0.00055 per shares for a total sale of 27,200,000 shares of Common Stock and proceeds of \$15,000. The Issuer relied upon Rule 504 exempt offering under the Securities Act of 1933 for the previously filed Form D via EDGAR to the Securities and Exchange Commission.

Calendar 2013

During the second quarter of 2013 40,000,000 shares of Company's common stock were issued to ACAP. The original \$70,000 note that was convertible to the Company's common stock was partially converted. \$13,099 of the note and unpaid interest were converted in exchange for 40,000,000 unrestricted shares of the Company's common stock. \$7,099 of the note was issue to Primary Finance Lie. To converted in exchange for 13,333,333 unrestricted shares of the Company's common stock. This loan originated on November 10, 2009. Also, during the second quarter of 2013, 32,000,000 shares of Company's common stock were issued to DB Capital Corp. This note was for \$25,000.

Further, during the second quarter of 2013, 20,000,000 shares of Company's common stock were issued to Equitas Group Inc. These shares were for Money loaned to ACYD.

Further during the second quarter of 2013, 11,000,000 shares of Company's common stock were issued to Benjamin Petitti, on behalf of his spouse, Morgan E. Petitti, for legal services rendered.

Also, during the second quarter of 2013, Mr. Gray and Mr. Doell were removed as Directors.

During the third quarter of 2013, 37,500,000 shares of Company's common stock were issued to JSJ Investments for the

balance of the \$25,000. Also during the third quarter of 2013 9,090,909 shares of Company's common stock were issued to DB Capital Corp. This note was for \$ 5,000. 4,166,666 shares of Company's common stock were issued to DB Capital Corp. This note was for \$2,500. Also, during the third quarter of 2013, 20,000,000 shares of Company's common stock were issued to Southbridge Advisory Group, Inc. These Shares were for money loaned to the Company..

On August 28, 2013 Wialan Technology, LLC merged into the Company. In conjunction with this merger, on August 28, 2013 the Company issued 1,900,000,000 common shares to the owners of Wialan Technology, LLC as consideration for the acquisition.

Also on August 28, 2013 the Company issued 109,709,888 common shares to The New Renaissance Group, Inc., which is majority owned by former ACYD President and CEO John Folger, in part in settlement of Mr. Folger's prior services for the Company and in part to settle the ACYD liabilities which existed at the

Accordingly, at August 28, 2014 the Company's issued common shares totaled 2,533,333,333. None of the Company's preferred shares have been issued.

Fourth Quarter 2013

There were no new common or preferred shares of the Company issued during forth quarter, 2013.

First Quarter 2014

There were no new common or preferred shares of the Company issued during first quarter, 2014.

Second Quarter 2014

There were no new common or preferred shares of the Company issued during first quarter, 2014.

5) Financial Statements

Provide the financial statements described below for the most recent fiscal year end or quarter end to maintain qualification for the OTC Pink Current Information tier. For the initial disclosure statement (qualifying for Current Information for the first time) please provide reports for the two previous fiscal years and any interim periods.

- A. Balance sheet;
- B. Statement of income;
- C. Statement of cash flows;
- D. Financial notes;

The financial statements requested pursuant to this item shall be prepared in accordance with US GAAP by persons with sufficient financial skills. You may either (i) attach/append the financial statements to this disclosure statement or (ii) post such financial statements through the OTC Disclosure & News Service as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial reports separately as described in part (ii) above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to otcq.com in the field below.

The financial statements and footnotes as of June 30, 2014 are incorporated herein by reference.

Information contained in a Financial Report is considered current until the due date for the subsequent Financial Report. To remain in the OTC Pink Current Information tier, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of its fiscal quarter-end date.

6) Describe the Issuer's Business, Products and Services

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

- A. a description of the issuer's business operations;

Until the August 28, 2013 merger with Wialan Technologies, LLC. the Company was focused on creating and sponsoring affordable and transitional housing and job creation programs for the nonprofit community, specifically on the Florida West Coast. Following the merger, the Company ceased its previous business plan and is now operating as a producer and provider of a physical product which combines wi-fi, video surveillance and public announcement capability, which it sells and maintains to public areas, parks and recreational areas, marinas, schools and private businesses and institutions where traditional wi-fi "hot spots" are not practical and/or where security surveillance and communication is vital.

- B. Date and State (or Jurisdiction) of

Incorporation: **February 25, 1985 in the State of**

Delaware

- C. . the issuer's primary and secondary SIC

Codes; **7385 – Services – Telephone**

Interconnect Systems

D. the issuer's fiscal year end

date; **December 31**

E. principal products or services, and their

markets; **Wireless internet products**

7) Describe the Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The issuer leases approximately 2,000 square feet of offices and warehouse space at 10273 NW 46 Street in Sunrise FL. The Company has maintained this location since approximately 2007 at a rental rate of \$1,687 per month.

8) Officers, Directors, and Control Persons

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant shareholders.

A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

Prior Services:

- **John Folger served as President and CEO until August 28, 2013**
- **Timothy P. Peabody served as President, CEO and Director until November 14, 2013**
- **Mitchell Freifeld served as Interim President and CEO from November 15, 2013 until April 7, 2014.**

Current Services:

- **Victor Tapia serves as Vice-President and Director from August 28, 2013 to date.**
- **Alan J. Bailey serves as CFO and Director (from January 21, 2014) and as interim CEO from April 7, 2014 to date.**
- **Timothy P. Peabody, the Company's acting General Counsel, was appointed a Director effective August 1, 2014.**

B. 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

None

4. securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated;

None

5. 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

c. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

Vicana T, LLC	736,000,000 common shares (29.05%)
Shamrock Investment Trust	470,000,000 common shares (18.55%)
Investment Properties Revocable Trust	380,000,000 common shares (15.00%)
	(Total together as a group: 62.60%)

The address of Vicana T, LLC is 6780 SW 185th Way, Southwest Ranches, FL 33332 and the underlying beneficial owner is Victor Tapia (the Company's VP and Director)

The address of Shamrock Investment Trust is c/o Timothy P. Peabody Trustee, 620 Newport Center Drive, Ste 1100, Newport Beach, CA 92660 and the underlying beneficial owner is Timothy Peabody, Esq. (the Company's former CEO)

The address of Investment Properties Revocable Trust is 2901 Rigsby Lane, Safety Harbor, FL 34695 and the underlying beneficial owner is Mike Connor (the Company's special advisor).

9) Third Party Providers

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel
Timothy P. Peabody Esq
The Peabody Law Firm
620 Newport Center
Drive
Suite 1100
Newport Beach, CA 92660

Phone: **949-200-4610**
Email: **Peabodylaw@aol.com**

Accountant or Auditor

Name: **None**

Address 1:

Address 2:

Phone:

Email:

Investor Relations Consultant

None

Name:

Firm:

Address 1:

Address 2:

Phone:

Email:

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

None

Name:

Firm:

Address 1:

Address 2:

Phone:

Email:

10) Issuer Certification

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, Alan J. Bailey certify that:

1. I have reviewed this annual disclosure statement of Wialan Technologies, 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.

[Date] August 18, 2014_

/s/ **Alan J. Bailey** (CEO and CFO's Signature)

WIALAN TECHNOLOGIES, INC.
(FORMERLY AMERICAN COMMUNITY DEVELOPMENT GROUP, INC.)

CONSOLIDATED FINANCIAL STATEMENTS
AS AT JUNE 30, 2014
(Unaudited)



WIALAN TECHNOLOGIES, INC.
(Formerly American Community Development Group Inc.)
CONSOLIDATED BALANCE SHEETS
(Unaudited)

	As at <u>June 30, 2014</u>	As at <u>December 31, 2013</u>
Assets		
Current assets		
Cash	\$ 29,239	\$ 58,433
Accounts receivable	40,033	5,000
Due from stockholders	100,500	148,500
Inventory of parts, at cost	<u>103,230</u>	<u>103,230</u>
Total current assets	<u>273,002</u>	<u>315,163</u>
 Fixed assets, less accumulated depreciation	 <u>20,572</u>	 <u>28,395</u>
 Goodwill	 <u>1,478,114</u>	 <u>1,478,114</u>
<u>Total assets</u>	<u>\$ 1,771,688</u>	<u>\$ 1,821,672</u>
 Liabilities and stockholders' equity (deficit)		
Current liabilities		
Accounts payable and accrued expenses	\$ 281,785	\$ 240,458
Short-term notes payable and accrued interest	<u>146,208</u>	<u>137,815</u>
Total current liabilities	<u>427,993</u>	<u>378,273</u>
 Stockholders' equity (deficit)		
Preferred stock, 75,000,000 shares authorized of \$ 0.0001 par value, none issued or outstanding	 -	 -
Common stock, 3,500,000,000 shares authorized of \$0.0001 par value, 2,533,333,333 issued and outstanding	 253,333	 253,333
Additional paid in capital	3,918,499	3,918,499
Treasury stock	(13,100)	(13,100)
Accumulated deficit	<u>(2,815,037)</u>	<u>(2,715,333)</u>
Net stockholders' equity (deficit)	<u>1,343,695</u>	<u>1,443,399</u>
 <u>Total liabilities and stockholders' equity</u>	 <u>\$ 1,786,709</u>	 <u>\$ 1,821,672</u>

The accompanying notes are an integral part of these financial statements

WIALAN TECHNOLOGIES, INC.
(Formerly American Community Development Group Inc.)
CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended June 30, 2014	Three Months Ended June 30, 2013	Six Months Ended June 30, 2014	Six Months Ended June 30, 2013
Revenue				
Product sales	\$ 73,758	\$ 0	\$ 122,288	\$ 0
Less: cost of sales	<u>24,125</u>	<u>0</u>	<u>47,465</u>	<u>0</u>
Gross margin	49,633	0	74,823	0
Property rental	<u>0</u>	<u>3,000</u>	<u>0</u>	<u>6,000</u>
Total revenue	<u>49,633</u>	<u>3,000</u>	<u>74,823</u>	<u>6,000</u>
Operating expenses:				
General and administrative	82,581	6,000	150,984	50,089
Depreciation	<u>2,286</u>	<u>464</u>	<u>5,036</u>	<u>928</u>
	<u>84,867</u>	<u>6,464</u>	<u>156,020</u>	<u>51,017</u>
Operating loss	<u>(35,234)</u>	<u>(3,464)</u>	<u>(81,197)</u>	<u>(45,017)</u>
Other income (expense)				
Interest	(8,393)	(5,215)	(10,720)	(10,430)
Assets written off	(7,787)	0	(7,787)	0
Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>334</u>
	<u>(16,180)</u>	<u>(5,215)</u>	<u>(18,507)</u>	<u>(10,096)</u>
Net loss for period	<u>\$ (51,414)</u>	<u>\$ (8,679)</u>	<u>\$ (98,704)</u>	<u>\$ (55,923)</u>
Net loss per share	\$ <u>0.0000</u>	\$ <u>0.0000</u>	\$ <u>0.0000</u>	\$ <u>0.0001</u>
Weighted average shares outstanding	<u>2,533,333,333</u>	<u>389,190,000</u>	<u>2,533,333,333</u>	<u>389,190,000</u>

The accompanying notes are an integral part of these financial statements

WIALAN TECHNOLOGIES, INC.
(Formerly American Community Development Group Inc.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	6 Months Ended <u>June 30, 2014</u>	6 Months Ended <u>June 30, 2013</u>
Cash flow provided by (used in) operating activities:		
Net loss	\$ (99,704)	\$ (55,113)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	5,036	928
Assets written off	7,787	
Increase in accounts payable and accrued interest	49,720	
Increase in accounts receivable	(40,033)	
Net increase in operating liabilities over assets		<u>36,985</u>
Net cash provided by (used in) operating activities	\$ <u>(77,194)</u>	\$ <u>(17,200)</u>
 Cash flow from (used by) financing activities		
Proceeds from (repayment of) debt financing	-	(50,000)
Proceeds from the issuance of stock	-	67,200
Remittance (decrease in amount due) from stockholders	<u>48,000</u>	<u>-</u>
	<u>48,000</u>	<u>17,200</u>
 Net increase (decrease) in cash	(29,194)	0
 Cash, beginning of period	<u>58,433</u>	<u>0</u>
 Cash, end of period	\$ <u><u>29,239</u></u>	\$ <u><u>0</u></u>

The accompanying notes are an integral part of these financial statements

WIALAN TECHNOLOGIES, INC.
(Formerly American Community Development Group Inc.)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2014
(Unaudited)

NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

Wialan Technologies, Inc., (formerly American Community Development Group, Inc or “ACYD”) was originally incorporated in the State of Delaware on February 25, 1985 under the name of Fortsbridge, Ltd. (“Fortsbridge”), a business involved in investing in various companies. The Company was a Reporting Issuer subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act until November 17, 1989, when it filed a Form 15-12G with the Commission.

On April 27, 1987, the Company effected a corporate name change to DTI, Inc. as the result of the Company purchasing the assets of DTI, Inc., a discount travel business.

On May 29, 2008, the Company then merged with Rockbands, LLC (acquiring 100% of the shareholders’ equity), a jewelry based entity incorporated in the State of Florida in January, 2007, involving the exchange of 180,000,000 restricted shares of the Company’s common stock. At this time, the Issuer modified its business plan to that of Rockbands, LLC, acquired the assets of Rockbands, LLC, and spun off the assets of DTI, Inc. to Airport Road Associates One, LLC. Simultaneously, control of the Company was transferred from DTI, Inc. to the shareholders of Rockbands, LLC and the Company subsequently effected a corporate name change to Rockbands, Inc. (“Rockbands”). However, in the fourth quarter of 2009, the Issuer concluded that capital requirements needed for the Company to remain in business could no longer be satisfied solely through the sale of its “RockBands” products, and that it needed to consider other avenues for generating revenue. The Company accordingly decided to make a radical change to its business plan and divested itself of the business and assets of Rockbands, and acquired a business line that would make available potential business opportunities and capital to the Company. The business plan was revamped to involve the development, acquisition, ownership and operation of low cost housing for specialty classifications of individuals and the indigent and financially challenged and this remained the main business plan of the Company until August 28, 2013.

Control of the Company was changed and transferred on December 31, 2009 to American Community Development Corporation, a State of Florida entity, and the Company subsequently effected a corporate name change to American Community Development Group, Inc. (“ACYD”) on February 5, 2010. The transfer involved 9,000,000 restricted shares of the Company’s common stock being issued to the shareholders of ACYD. From that date through August 28, 2013 ACYD operated as a for-profit, real estate acquisition company that created and sponsored affordable and transitional housing and job creation programs for the nonprofit community. ACYD’s target market was focused on the Florida West Coast with the desire to expand to other regions throughout the United States of America. In order to provide services to those individuals that are less fortunate, ACYD offered consulting, debt and equity financing, investment banking, social services, business and financial planning, grant writing, marketing and donor development programs to the nonprofit community and other agencies and entities.

Overall, ACYD tried to act as a financial bridge between traditional public/private financing and the desperate needs of nonprofits and their constituents.

On August 28, 2013 ACYD acquired all of the assets and business operations of Wialan Technologies, LLC (“Wialan”), through the execution of an Acquisition Agreement and Plan of Merger, as a business combination and tax-free reorganization. The terms of this Agreement required, as consideration for the acquisition, the issuance to the owners of Wialan of a total of 1.9 billion common shares of the Company, having a market value at August 28, 2013 of \$ 1,900,000. Effective that date, John Folger resigned as President, CEO and Director and Victor Tapia was appointed Vice President, Secretary and Director. Since August 28, 2013 the Company’s new business focus has been the manufacturing, marketing and installation of industrial wireless access equipment (WiFi Access Points) for the corporate owners of apartment complexes, marinas, shopping centers, municipal parks, RV parks, airports, schools, hotels and resorts, as well as for major communication companies.

The name of the Company was changed to Wialan Technologies, Inc. on January 22, 2014 and its trading symbol was changed from ACYD to WLAN, The former “ACYD” business ceased effective September 30, 2013.

Explanation of Wialan’s business operations:

Wialan’s product offerings are positioned as cost-effective, reliable, operational solutions to the current and future needs of the wireless and security system market. Its initial product offerings include the WIALAN Wi-Gate Wireless Broadband Gateway - a Wi-Fi compatible access point that includes support for 128bit MPPE encryption, access lists, security enabling users to protect their wireless network by either encrypting the data or by specifying the address of a wireless adapter before allowing it access to the Ethernet network.

Wialan's overall product lines include, but are not limited to, the following:

a) Wi Gate Access Point Routers Series

The **WIALAN Wi Gate Series of Wireless Broadband Gateways** features high performance 802.11a/b/g/n (with 802.11a for the unlicensed 5Ghz band and the licensed 4.9Ghz public safety band) wireless access points, for local wireless connections, and a Ethernet (auto detect) WAN port for integration to private or public networks with or without Internet access, which physically separates the local computers from the broadband network. The Access Point can be configured either as a router, which add a layer of firewall security for the private network, or as a bridge, for simple private network extension deployments.

Major benefits include:

- Supporting any wireless 802.11a/b/g/n compatible device;
- Indoor and outdoor versions to suit the needs of very large outdoor deployments such as Town Centers, parks, marinas, etc; and indoor deployment such as office buildings, hotels and many other applications,
- A robust web-based management system that allows local or remote users to configure the Gateway from any device that can run a web browser;
- In Router mode, very easy WAN configuration via DHCP or static address configuration;
- In Router mode, it provides Industry standard network self configuration tools such as NAT (Network Address Translation) which ensures the sharing of a single IP Address with many computers in your network and the logical firewall network isolation this entails, and DHCP (Dynamic Host Control Protocol);
- Bandwidth managing, through QOS or Bandwidth Shaping, which guarantees performance for Special Internet Applications such as Voice over IP (VOIP), video streaming, Virtual Private Networks (VPNs) and on-line games, that require two-way secure communications and stable bandwidth allocation;
- Built-in VPN Server with 128bit hardware accelerated MPPE encryption and MS-Chap-v2 user Authentication;
- Firewall protection;
- Allows filtering of Internet content to either a single computer or a work group;
- Port mapping, which allows the redirecting of IP ports for the provisioning of Virtual Servers, which enable users to install a web, email or other TCP/IP based server on the local network and have it accessible from the Internet;
- In Bridge mode, it works as a transparent switch between the client connected to it and either a router or another bridge or the main base.

b) Wialan's Luma Series of Smart Lights with Wi Fi and video surveillance

Wi Gates Luma Series is a single cost efficient solution for multiple problems.

- Super LED illumination, optimal light spreading

- 65% Electricity saving
- Wireless remote control
- Wireless internet (Wi Fi)
- Cameras for video security
- Blending in with the structure for an aesthetic look
- In Bridge mode, it works as a transparent switch between the client connected with either a router, another bridge or the main base. .

Wi Fi capability allows the Wi Gates Luma Series to be not only remote controlled but also able to distribute internet and/or intranet signals throughout the community.

c) Wi Gate Video Security Network

Wialan Technologies High Speed Access Points and Broadband Gateway is a perfect match for Hi Definition IP video cameras.

The Wi-Fi Security Network provides customers with Wi-Fi connectivity coupled with 24/7 HD live stream video connectivity via a phone app or on-site server. This network platform provides marinas, parks and other commercial clients with wireless connection to the Internet as well as 24/7 monitoring of customer facilities.

d) Public Announcement Wireless Early Warning System (PAWEWS)

The PAWEWS relates to a beach public address wireless early warning system with high definition cameras and wireless internet right at the sand, which uses Internet Protocol and/or wireless frequencies to alert beach goers of a potential hazard, the warning could come from a base station (it can be a headquarters of a life guard monitoring body) that monitors remote life guard stations or from any of the manned lifeguard station.

Since lifeguard stations do not normally have AC power, the system was designed using solar energy to provide power for the Wireless PA System (loud speakers), video surveillance cameras and Wi Fi for the surrounded area around the lifeguard stands at the beach.

There is potential for this product to be installed in every beach or campus in the entire USA

e) Municipal Model

In addition, Wialan has created a “municipal model” which provides Wi-Fi access “platforms” for entire sections of participating municipal and regional county areas. These Wi-Fi platforms are established through placement of Wialan wireless equipment in light fixtures along city streets and other municipal lighting structures (Wialan's LUMA series). The installation of energy efficient LED lights with energy controlling features provided by Wialan's wireless devices will result in substantial energy savings for municipal governments. Industry experts estimate that municipal governments can save up to 65 -75% in electrical energy costs by implementing the Wialan wireless devices in combination with energy efficient LED lights.

The light Wi-Fi access points can also be combined with security cameras that can provide municipalities with 24/7 video surveillance for selected areas of the municipality. Wialan's 4.9 GHz Security has already been installed in various areas of Miami Dade County, most notably at the Miami Dade OMNI Bus station, Haulover Beach Park, Goulds Park and many other that are on the planning stage of the installation. The Wialan Security equipment installed at the OMNI Bus Terminal is utilized by the county to monitor guest arrivals and departures on county transportation vehicles at that terminal.

In summary, the Wialan Municipal Model can provide the following benefits:

- Each municipal government can manually or automatically remote control all participating lights and light structures throughout the city or region. The Wialan municipal model can provide cities and counties with the ultimate “dimmer switch” which can allow constant monitoring of light emission from municipal light systems.
- Each municipal government can utilize the 4.9 GHz public safety frequency as well as Wi Fi internet access for emergency and police personnel utilizing these frequencies along its streets and roads.
- Each municipal government can stimulate commercial economic development and grow revenues to the city advertising the increased security and the Wi Fi internet platforms over entire city blocks for private and commercial usage
- Each municipal government can use its “wireless city” technology to enhance education and promote tourism and business development in the region.
- Each municipal government can create entire security zones by combining Wialan Wi-Fi equipment with Wialan Security Systems

f) Marina Model

Wialan has taken its Wi Fi platform one step further with the incorporation of a high definition (1080p Resolution 1920 X 1080) live stream video camera connection to allows marina owners to have 24/7 viewing of all marina facilities via on-site server or through applications for cell phones. Wialan's plan is to deliver and install its Wi Fi and Wi Gate Security Network all over US marinas.

g) Existing Installations

There is a large market all over the world for the wireless solution that Wialan Technologies offers, for example some of the sites already using Wialan Technologies system are:

i. Miami Dade County

Since January 2008, the Miami Dade County has been purchasing Wialan Technologies Wireless devices for providing wireless video surveillance and Internet to the needy areas through the County, some of the area includes:

- Goulds Park : Wialan Technologies combination of 4.9 GHz public safety frequency for their wireless video surveillance and a 2.4 GHz Wi Fi for wireless internet provision.
- Haulover Park: 4.9 GHz public safety frequency for wireless video surveillance.
- Bill Bird Marina: 2.4 GHz Wi-Fi system providing wireless Internet to boaters.
- Omni Station : 4.9 GHz public safety frequency for wireless video surveillance
- Cutler Ridge Park: 2.4 GHz Wi-Fi system that includes wireless Internet and video surveillance.
- East Ridge retirement community, Wi Fi for the elderly

ii. Private Marinas

- Deering Bay - Coral Gables FL
- Cocoplum Marina - Coral Gables FL
- Marina Bay - Fort Lauderdale FL

iii. Apartment Complexes and private properties

- Pinnacle Housing - Pinnacle Grove - Vero Beach FL
- Pembroke Falls Apartments - Pembroke Pines FL
- The Falls Apartments - Fort Lauderdale FL

h) International Developments

Dominican Republic: On June 26, 2013 Wialan established and registered a 50/50 joint venture in the Dominican Republic with locally based partners called Wialan Technologies Dominicana. In association with Hughes Network Satellite Delivery Systems, Wialan plans to deliver wireless internet, together with its public announcement and video surveillance systems, to initially 300 schools – growing to approximately 2,600 of the 6,000 total schools in the Dominican Republic which do not presently have these types of facilities.

During mid-June 2014, the Company achieved the first successful installation and full operation of its proprietary combined Wi-Fi/PA System/Security Surveillance device at a selected school in the Dominican Republic. There was a high profile ribbon-cutting ceremony at the location on August 8, 2014, attended by local government officials and senior management of both the Company and Hughes Network.

This installation and successful operation of the Company's technology occurred at the Cigar Family Community School located in the Bonao region of the Dominican Republic and has approximately 500 students from pre-school the 12th grade. It is part of the Cigar Family Community Complex which includes the Elementary and High Schools, Health Clinic, Baseball and Basketball Stadiums, Solar Energy Station and Organic Farm. The complex was first created by the Cigar Family Charitable Foundation by the Fuente and Newman families in 2001. Today, Cigar Family Community Complex serves well over 5,000 families and has achieved tremendous results. When the testing was completed and the switch was turned on, it was met with great success and celebration at the August 8, 2014 event. With this milestone completed, the road is now open for the Company to conclude negotiations with the government of the Dominican Republic to roll out the Wialan system to more than 1,000 other schools in the Dominican Republic, as well as beyond into Central and South America over the next few years

Haiti: On July 15, 2013 Wialan established and registered a 50/50 joint venture in Haiti called Wialan Technologies for the sale and deployment of Wialan systems in Haiti. HughesNet has agreed to provide internet connectivity. Similar to the achievement in the Dominican Republic, the plan is to assemble the Wialan product locally under Wialan's supervision using Wialan's authorized selective components shipped from Wialan's base in the US.

Brazil: On August 6, 2013 Wialan established and registered a 50/50 joint venture in Brazil called Wialan Technologies Brazil with local Brazilian partners for the assembly, sale and deployment of Wialan's combined wireless internet, video surveillance and public announcement systems throughout Brazil. (Presently, these systems are being tested in Brazil for compliance with local regulatory compliance.)

Revenues and operating results from the foregoing 50/50 joint ventures are expected to be reflected by Wialan commencing in calendar 2015.

Venezuela: Wialan Technologies, Inc. delivered, via an agreement with The United Nations, and supplied 250 Outdoors Access points and 450 CPE devices in Venezuela. The wireless equipment is in use in the country of Venezuela, where the government is providing some areas of the city of Caracas, the capital and the airport with free wireless Internet. These devices have been installed and were put in service in 2005, 2006 and 2007. Since then the devices have continue operating without a failure, which has proven the technology to be easy to use and most of all, very reliable.\

Nicaragua: Wialan Technologies provides Amnet of Nicaragua with the Wi Gate 300 as a demo for Hot Spots.

Mexico: Mexico City and Cancun have both developed wireless technology in many sites, including the Cancun Airport where fourteen million passengers are in transit annually.

Colombia has also invested in Wialan's equipment to provide wireless services. Digital Cable System, a cable operator with over one hundred cable ends, has deployed Wialan Technologies Access points to provide wireless services

(a) Other developments

- (i) During April, 2014 Miami Dade County invited bids from contractors to install specified Wialan wireless equipment to provide public safety in the 4.9 GHz band and Wi Fi coverage at the African Heritage Cultural Arts Center in Miami, Florida. In June, 2014 Wialan successfully supplied the equipment that provides Internet services to up to 200 simultaneous patrons in each of the various arts centers on the campus, covering at least 95% of the areas including picnic areas and parking lots. Based upon its continuing successful experience with Miami-Dade County, going forward is to work with counties, cities and local governments in North America to rollout public safety and Wi Fi access platforms that can be leveraged to provide not only broadband internet access in public areas, but also provide public safety (e.g., 24/7 video surveillance using the 4.9 GHz band which is a licensed band available for use only by public safety agencies) and other applications that can piggyback on the highly flexible industrial grade Wialan platform.

- (ii) Effective April 1, 2014, the Company retained Mediaworld Ventures, LLC (“Mediaworld”) to provide executive advisory services to the Board of Directors of Wialan, including assisting the Company’s management on operations, business and execution planning, and strategic initiatives to support the growth of the Company. The Company believed that Mediaworld will add significant depth of experience and business skill by enhancing management strength to accelerate business development, market expansion, financing and communications. However, an engagement agreement was never signed and the Company subsequently became concerned that Mediaworld was not providing and /or delivering all of the services that the Company has first anticipated and the engagement ended effective May 31, 2014. A dispute has arisen between the Company and Mediaworld regarding the appropriate level of compensation due for the 2 months concerned, Negotiations are currently in progress between the parties to attempt to mutually settle this contested compensation issue.
- (iii) On April 11, 2014 the Company executed an agreement with Wi-Fidelity, LLC for the purchase of up to \$ 250,000 worth of Wialan integrated Wi-Fi/surveillance product, together with an ongoing pay portal and maintenance support service arrangement, to create a line of wireless access points for internal and external commercial and residential use in California Wi-Fidelity, LLC is substantially controlled by Timothy Peabody (our former CEO) and currently a Director of the Company. Sales totaling \$ 56,870 for the 6 months ending June 30, 2014.
- (iv) During second quarter, 2014 the Company made its first successful sale of its product to a customer in South Africa. The Company expects to expand its sales efforts both in South Africa and to other African countries, potentially sourced with solar power, which desperately need wi-fi connectivity and video security surveillance.
- (v) On August 1, 2014, as one of the four finalists in bidding for the installations of its wi-fi communication solution to be integrated into a comprehensive disaster recovery system, the Company submitted its updated and enhanced proposal and bid to the New York City RISE program administrators. The winning provider is expected to be announced in late September/early October, 2014.. Should the Company be the winner, the contract will be worth more than \$ 4.5 million to Wialan.

BASIS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements include the balance sheet, statements of operations and statements of cash flows relating to the operating activities of ACYD, plus the consolidation of the balance sheet and the new operating activities of Wialan Technologies, LLC (“Wialan”) from the August 28, 2013 date of acquisition. The financial statements are reported on an accrual basis of accounting in accordance with generally accepted accounting principles (“GAAP”).

Cash

Cash consists of demand deposit accounts. The balance of accounts held in financial institutions at June 30, 2014 and December 31, 2013 did not exceed FDIC limits

Accounts Receivable, Net

Accounts receivable are valued at management's estimate of the amount that will ultimately be collected. The amount of \$40,033 at June 30, 2014 represents amounts due from trade customers for Wialan's product sales made in second quarter, 2014. The accounts receivable of \$ 5,000 at December 31, 2013 was written off by the Company in second quarter 2014 (and is part of the \$ 7,787 reflected as "assets written off" in the Company's Statement of Operations on page 3)

The amounts due from stockholders of \$ 100,500 at June 30, 2014 and \$ 148,500 at December 31, 2013 represent:

- (a) The remaining balance of \$ 72,000 of an original commitment of \$ 300,000 entered into by Mike Connor with Wialan Technologies, LLC for the injection of equity capital into the business against a 20% ownership in Wialan Technologies, LLC. At the August 28, 2013 date of merger, this 20% equity interest was exchanged for 380 million common shares of the Company. The remaining \$ 72,000 investment commitment is still due to be paid to the Company and is expected to be paid as and when the Company needs such cash resources , and
- (b) The remaining balance of \$ 28,500 of an original commitment of \$ 50,000 entered into by Timothy Peabody (our former CEO and current Director) with Wialan Technologies, LLC for the injection of equity capital into the business ..

Inventory of parts.

Inventory of parts is based on a physical inventory count conducted by Management and has been valued at the lower of approximate cost or realizable value.

Fixed Assets, Net

Fixed Assets are stated at cost less depreciation. Depreciation is computed over the estimated useful lives of the assets using the straight-line method. Fixed assets, less accumulated depreciation, of \$ 2,787 were written off by the Company in second quarter 2014 (and is part of the \$ 7,787 reflected as "assets written off" in the Company's Statement of Operations on page 3)

Goodwill

Goodwill of \$ 1,478,114 represents the excess of the consideration for the acquisition of Wialan Technologies, LLC by the Company (i.e. 1.9 billion common shares of the Company at a market value of \$ 0.001 per share, or \$ 1,900,000) less the tangible assets acquired, namely the Wialan cash, inventory of parts, accounts receivable and fixed assets at August 29, 2013 totaling \$ 421,886. Management believes that the business footprint established by Wialan Technologies LLC in the Wi-Fi industry since its formation on April 6, 2011 to be significant and that the acquisition consideration was justified.

Estimates

In preparing financial statements in accordance with generally accepted accounting principles, management makes estimates and assumptions that affect the reported amounts and disclosures of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE B – FIXED ASSETS, NET

The components of fixed assets and related costs are as follows:

Add: Equipment and furniture	27,430
Less: Accumulated depreciation	<u>(4,572)</u>
	<u>22,858</u>
Total, net	<u>\$ 28,395</u>

The amount of depreciation expense expensed for the 3 months and 6 months ending June 30, 2014 was \$2,750 and \$ 5,036 respectively. As explained on page 13, vehicles previously utilized by Mr. Folger with the net book value of \$2,787 were written off during second quarter 2014 following his death on June 9, 2014.

NOTE C – RESEARCH & DEVELOPMENT COSTS

Research and development costs incurred by the Company in developing its proprietary wi-fi technology have been expensed as and when incurred. The Company will continue to adopt this policy.

Note D – CURRENT LIABILITIES

Current liabilities at June 30, 2014 include ACYD related pre-merger payables totaling \$ 388,993 and trade payables post-merger totaling \$ 39,000.\

Note E – SHORT-TERM NOTES PAYABLE

These represent pre-merger ACYD short-term convertible note obligations payable to third parties, including principal and accrued interest of \$ 101,208 at June 30, 2014 due the Equitas Group, LLC .

NOTE F - COMMITMENTS AND CONTINGENCIES

As explained in Note I, the Company and Mr. John Folger (the Company's former President and CEO) agreed in principle that an appropriate portion of the 109,709,888 restricted common shares granted to The New Renaissance Group, Inc. at the August 28, 2013 merger of Wialan Technologies , LLC would be used towards the settlement of the pre-merger liabilities of ACYD, which at June 30, 2014 totaled \$ 388,993, including accrued interest on short-term notes

However, on January 14, 2014 Mr. Mitch Freifeld (our interim CEO until April 7, 2014) filed a breach of contract lawsuit against Mr. John Folger alleging that in February 2012 Mr. Folger made an oral agreement to pay Mr. Freifeld 110 million ACYD common shares as compensation for the introduction of Wialan Technologies, LLC to ACYD. The lawsuit further alleges that on September 28, 2013 Mr. Folger provided a written agreement for the assignment of 57.5 million common shares (of the 110 million common shares) as a deposit to Mr. Freifeld.

Until Mr. Folger became deceased on June 9, 2014 this lawsuit was being contested by him. Mr. Folger's death has thrown an additional complication in the lawsuit. However, until the lawsuit is somehow resolved, it is not known what effect, if any, the outcome may have on the ability of The New Renaissance Group, Inc. to deliver the applicable portion of its holding of 109,709,888 restricted common shares towards the settlement of the pre-merger ACYD liabilities noted above.

NOTE G- RISKS AND UNCERTAINTIES

The accompanying consolidated financial statements have been prepared on a going concern basis. The ability of the Company to continue as a going concern depends on the ability of the Company to generate revenues from operations, to raise more capital or obtain new sources of financing sufficient to sustain operations. However, with the acquisition of Wialan and its adoption of Wialan's business model, management anticipates (but cannot guarantee) that the Company will indeed be able to generate substantial new revenues and will prosper.

NOTE H- INCOME TAXES

The Company is a corporation for federal income tax purposes. As of June 30, 2014 there are no items that are expected to create a tax difference. Through June 30, 2014 the former American Community Development Group, Inc. ("ACYD") had incurred accumulated tax losses of approximately \$ 2.6 million.

NOTE I - RELATED PARTY TRANSACTIONS

(a) Mr. Folger, who until August 28, 2013, was the Chief Executive Officer, President and a Director of the Company, was the maker of the Matson Society Beneficial Trust, which owned 6,039,035 restricted common shares of the Company as part of the original acquisition of American Community Development Corporation on February 5, 2019 (see Note A). In addition, in part to settle Mr. Folger's past unpaid compensation at the date of his resignation and as a condition of the Wialan merger, on August 28, 2013 a total of 109,709,888 restricted common shares were issued to The New Renaissance Group, Inc., which was majority owned by Mr. Folger. As part of this arrangement however, the Company and Mr. Folger agreed in principle, at the time, that an appropriate portion of the 109,709,888 common shares would be used towards the settlement of the pre-merger liabilities of ACYD, which at June 30, 2014 totaled \$ 388,993 (these are included on the Company's balance sheet at June 30, 2014 as "current liabilities" within accounts payable and short-term notes payable, and will continue to be so reflected until such time as they are settled through the sale proceeds derived by the applicable disposal of the aforementioned common shares or settled through other means). Mr. Folger became deceased on June 9, 2014.

Until August 28, 2013 the Company's financial statements reflected rental income of \$1,000 per month from Mr. Folger for the sublease of a house which he occupied beginning November 2012. During the quarter ending June 30, 2014 the previously reflected accounts receivable of \$5,000 for unpaid related party rentals associated with this transaction were written off, following Mr. Folger's death.

- (b) Mr. Doell was a Director of the Company who was issued \$2,000 in Company shares for accepting the position, with an additional \$2,000 in Company shares issued every three months served. Upon resignation/discharge from the Company, Mr. Doell received \$1,000 in Company shares. As of March 31, 2014, the Company had issued a total of 1,944,680 restricted common shares to Mr. Doell.
- (c) Mr. Timothy Peabody, who was a former CEO and is currently a Director and acting General Counsel of the Company, is the significant owner of Wi-Fidelity, LLC - which in turn is a major customer of the Company. Sales to Wi-Fidelity, LLC totaled \$ 56,870 during the 6 months ending June 30, 2014 and an accounts receivable at June 30, 2014 include \$ 15,000 due from Wi-Fidelity, LLC/

NOTEJ- STOCKHOLDERS' EQUITY

On April 2, 2008 there was an issuance of 20,079,045 common shares with an amended par value of \$0.0001 and 201,000,000 authorized shares as a result of the Company performing a round-lot reverse split of 1 to 1000, with a pay date of May 23, 2008.

On May 29, 2008 there was an issuance of 180,050,000 restricted shares issued to several persons pursuant to the Merger between the Company and Rockbands, LLC. The Company's issued and outstanding common shares, as of December 31, 2008 was 200,129,045.

On November 20, 2009 the State of Delaware received the Company's change to its Articles of Incorporation to perform a round-lot reverse split of 1 to 200; change to the Authorized common stock to 115,000,000 shares with a par value of \$0.0001; and change to the Authorized preferred stock to 20,000 shares with a par value of \$1.00.

On November 20, 2009 there was an issuance of 1,000,646 common shares as a result of the Company performing a round-lot reverse split of 1 to 200 with a pay date of February 5, 2010 and effecting the change in the Company's Articles of Incorporation. The Company's issued and outstanding common shares, as of December 31, 2009 was 1,000,646.

During March and April 2010 there was a cashless stock issuance of 8,993,954 restricted common shares issued to several persons pursuant to the Merger between the Company and American Community Development Corporation. All common shares issued to this point were duly and validly issued.

During 2010: 11,975,451 common shares issued for \$172,696 in debt conversions, 2,426,000 common shares issued for \$121,700 in private sales pursuant to applicable States' securities law relating to a few and infrequent securities transactions and 1,251,184 common shares issued for undisclosed value of corporate services. The Company's issued and outstanding common shares, as of December 31, 2010 was 25,647,235.

During 2011: 27,840,170 common shares issued for \$207,941 in debt conversions, 13,167,500 common shares issued for \$129,000 in private sales pursuant to applicable States' securities law relating to a few and infrequent securities transactions and 5,370,129 common shares issued for undisclosed value of corporate services. The Company's issued and outstanding common shares, as of December 31, 2011 totalled 72,025,034.

On April 20, 2012 the State of Delaware received the Company's change to its Articles of Incorporation to increase the Authorized common stock to 500,000,000 shares with a par value of \$0.0001 and increase the Authorized preferred stock to 75,000,000 shares with a par value of \$0.0001, with the Company's Board of Directors expressly vested with the authority to fully define Preferred series and their respective defined rights and preferences.

During 2012, 208,212,823 common shares were issued for \$232,377 in debt conversions, 51,600,000 common shares issued for \$65,000 pursuant to a Rule 504 exempt offering under the Securities Act of 1933, filed Form D filed via EDGAR to the Securities and Exchange Commission, 2,750,000 common shares issued for \$20,000 private sale pursuant to applicable State's securities law relating to a few and infrequent securities transactions and 1,944,680 common shares issued for \$4,000 of corporate services. The Company's issued and outstanding common shares, as of December 31, 2012 totaled 336,532,537.

During the second quarter of 2013 40,000,000 shares of Company's common stock were issued to ACAP. The original \$70,000 note that was convertible to the Company's common stock was partially converted. \$13,099 of the note and unpaid interest were converted in exchange for 40,000,000 unrestricted shares of the Company's common stock. \$7,099 of the note was issued to Primary Finance LLC, and converted in exchange for 13,333,333 unrestricted shares of the Company's common stock. This loan originated on November 10, 2009. Also, during the second quarter of 2013, 32,000,000 shares of Company's common stock were issued to DB Capital Corp. This note was for \$25,000.

Separately, 20,000,000 shares of Company's common stock were issued to Equitas Group Inc. These shares were for money loaned to ACYD. The Company's total issued and outstanding common shares, as of June 30, 2013 was 441,865,870.

On July 23, 2013 the Company filed with the State of Delaware to amend its Articles of Incorporation to increase its authorized common shares to 3,500,000,000 common shares with a par value of \$ 0.0001 per share.

<u>Total issued common shares at June 30, 2013</u>	<u>441,865,870</u>
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During third quarter 2013, the following common shares were issued:

(a) Shares issued for legal services	11,000,000
(b) Shares issued to Southridge Advisory Group, Inc, for debt repayment	20,000,000
(c) Shares issued to DB Capital LLC for debt repayment and interest	13,257,575
(d) Shares issued to JSJ Investments Inc. for debt repayment	37,500,000
(e) Shares issued to the owners of Wialan Technologies, LLC in consideration for the merger into the Company on August 28, 2013	1,900,000,000
(f) Shares issued to The New Renaissance Group, Inc. in settlement of past services of Mr. Folger as former President and CEO	<u>109,709,888</u>

Total shares issuances during third quarter, 2013	<u>2,091,467,463</u>
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(There were no new issuances of stock between October 1, 2013 and June 30, 2014)

<u>Total common shares issued and outstanding at June 30, 2014</u>	<u>2,533,333,333</u>
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Of the total **2,533,333,333** issued and outstanding common shares at **August 18, 2014** **1,932,520,460 (76.3%)** are restricted and **600,812,873 (23.7%)** are unrestricted ..

PREFERRED STOCK: The Company's current Articles of Incorporation authorize the issuance of up to **75,000,000** shares of preferred stock, with a par value of \$0.0001

On February 1, 2013 the State of Delaware received the Company's change to its Articles of Incorporation to define 10,000,000 of the 75,000,000 preferred stock as "Series A" preferred stock and the Company's Board of Directors were expressly vested with the authority to fully define this selected preferred series and its defined rights and preferences.

To date, no preferred shares have been issued.

NOTE K – SUBSEQUENT EVENTS

- (a) By majority shareholder consent, on August 1, 2014 Mr, Timothy P. Peabody, who is acting General Counsel , the beneficial owner of **470,000,000** of the Company's total issued common shares (18.55%) and the substantial owner of Wi-Fidelity, LLC one of the Company's major customers, was appointed an additional Director of the Company. He joins Victor Tapia and Alan Bailey on the Board.
- (b) On August 8, 2014 there was a high profile ribbon-cutting ceremony In the Dominican Republic , which was attended by local government officials and senior management of both the Company and Hughes Network, to celebrate the first successful installation of the Company's communication and security system. This installation and successful operation of the Company's technology occurred at the Cigar Family Community School located in the Bonao region of the Dominican Republic and has approximately 500 students from pre-school the 12th grade. It is part of the Cigar Family Community Complex which includes the Elementary and High Schools, Health Clinic, Baseball and Basketball Stadiums, Solar Energy Station and Organic Farm. The complex was first created by the Cigar Family Charitable Foundation by the Fuente and Newman families in 2001. Today, Cigar Family Community Complex serves well over 5,000 families and has achieved tremendous results. The system was installed in mid-June, 2014 and began testing thereafter. When the testing was completed and the switch was turned on, it was met with great success and celebration at the August 8, 2014 event. With this milestone completed, the road is now open for the Company to conclude negotiations with the government of the Dominican Republic to roll out the Wialan system to more than 1,000 other schools in the Dominican Republic, as well as beyond into Central and South America over the next few years
- (c) On August 1, 2014, as one of the four finalists in bidding for the installations of its wi-fi communication solution to be integrated into a comprehensive disaster recovery system, the Company submitted its updated and enhanced proposal and bid to the New York City RISE program administrators. The winning provider is expected to be announced in late September/early October, 2014.. Should the Company be the winner, the contract will be worth more than \$ 4.5 million to Wialan.