Company Information and Disclosure Statement

Issuers' Quarterly Disclosure Obligations for the For Period Ended September 30, 2013

SUTIMCo International, Inc.
OTCPK: SUTI

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.

Exact Company Name: SUTIMCo International, Inc. (hereinafter referred to as "we", "us", or "our" or "the Issuer")

Name used by predecessor entities in the past five years:
Formerly=AquaStar Holdings, Inc. until 6-2011
Formerly=Real Paper Displays, Inc. until 6-2010

2) Address of the issuer's principal executive offices

Company Headquarters

515 Cabrillo Park Drive, Ste. 300
Santa Ana, CA 92701
Phone: 949-478-0796
Fax: 866-751-4105
Website: www.suti.com

3) Security Information

Trading Symbol: SUTI
Common Stock Outstanding: 948,741,723 (as of 09/30/2013)
Restricted Common Stock: 605,751 (as of 09/30/2013)
Preferred Stock Outstanding: 997,020 (as of 09/30/2013)
CUSIP Number: 86936P 20 1
Par or Stated Value: Both common and preferred stock is at $0.001
Total shares authorized: Common – Two Billion Five Hundred Million[1] (2,500,000,000) shares. Preferred - Ten Million (10,000,000) shares as of 09/30/2013.
Total shares outstanding: 949,347,474 as of 09/30/2013.

Transfer Agent:

Interwest Transfer Co., Inc.
1981 Murray Holladay Road, Ste. 100
Salt Lake City, UT 84117
801-272-9294
Registered Under Exchange Act: Yes
Regulatory Authority: Security Exchange Commission (SEC)

List any restrictions on the transfer of security:

[1]On September 30, 2013 the Company filed an Amendment to the Articles of Incorporation with the Secretary of State Nevada to increase the authorized Common Stock from nine hundred fifty million (950,000,000) shares of Common Stock with par value $0.001, to two billion five hundred million (2,500,000,000) shares of Common Stock with par value $0.001.

N/A

Describe any trading suspension orders issued by the SEC in the past 12 months:

N/A

4) Issuance History

Shareholder	Date	# of Shares Sold	Price Per share	Dollar Amount Sold	Nature of Offering
Just Marketing Group	07/09/2013	52,500,000	0.0001	N/A	Rule 144 - NOTE CONVERSON
Redwood Management	07/09/2013	32,000,000	0.0001	N/A	Rule 144 - NOTE CONVERSON
Just Marketing Group	07/25/2013	47,250,000	0.0001	N/A	Rule 144 - NOTE CONVERSON
Just Marketing Group	07/25/2013	50,000,000,	0.0001	N/A	Rule 144 - NOTE CONVERSON
Redwood Management	07/31/2013	33,600,000	0.0001	N/A	Rule 144 - NOTE CONVERSON
Just Marketing Group	08/29/2013	60,000,000	0.0001	N/A	Rule 144 - NOTE CONVERSON
Redwood Management	08/29/2013	35,250,000	0.0001	N/A	Rule 144 - NOTE CONVERSON
Redwood Management	09/17/2013	37,000,000	0.0001	N/A	Rule 144 - NOTE CONVERSON
Just Marketing Group	09/19/2013	35,000,000	0.0001	N/A	Rule 144 - NOTE CONVERSON

With respect to private offering of securities, the list shall also indicate the identity of the person who purchased securities in such private offering; provided, however, that in the event that any such person is an entity, the list shall also indicate (a) the identity of each natural person beneficially owning, directly or indirectly, more than ten percent (10%) of any class of equity securities of such entity and (b) to the extent not otherwise disclosed, the identity of each natural person who controlled or directed, directly or indirectly, the purchase of such securities for such entity.

5) Financial Statements

Provide the financial statements described below for the most recent fiscal year end or quarter end to maintain qualifications for the OTC Pink Current Information tier. For the initial disclosure statements (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 note; and
E. Audit letter, if audited

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 statements or (ii) post such financial statements through the OTC Disclosure & News Service as separate reporting using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Reports").

If you choose to publish the financial reports separately as described in part (ii) above, you must state in the accompanying disclosure statements that such financial statements are incorporated by reference.

Information contain 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 with 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;

SUTIMCo has been operating in the emerging technologies market since 2006. SUTIMCo transforms University science research into a commercial product and profitable enterprise utilizing a proprietary management services platform designed to reduce time-to-market, time-to-profit and increase chances of success.

The three companies (affiliate and subsidiaries) associated with the Company, are SUTI Holdings LP, SUTIMCo, Inc. and Aqua Star Corporation. The Rogers family owns 3,000 units of limited partnership interest in SUTI Holdings LP. SUTIMCo and Aqua Star Corporation are majority owned by SUTIMCo International, Inc. (formerly AquaStar Holdings Inc.).

SUTI Holdings, LP
SUTI Holdings, LP, a California Limited Partnership. The Partnership was organized for the purpose of identifying, acquiring and commercializing discontinuous paradigm shifting technology with high commercialization potential, developed by universities, government laboratories and publicly funded research centers.

SUTIMCo, Inc.
Each Business Unit, upon its formation as an operating entity and its receipt of initial financing, will be required to enter into a three (3) year Venture Acceleration Agreement with SUTIMCo Inc. SUTIMCo Inc. will provide services and benefits to the Portfolio Company.

AquaStar Corporation
A majority of the shares of AquaStar Corporation, a private company organized under the laws of Nevada were purchased in accordance with the Asset Purchase Agreement dated October 27, 2009. AquaStar Corporation has entered into a Venture Acceleration Agreement with SUTIMCo, Inc. which began October 1, 2010.

B. Date and State (or Jurisdiction) of Incorporation:

The Company was originally incorporated in 2006, in the state of Nevada.

C. the issuer's primary and secondary SIC codes;

Primary Code: 3990 - Miscellaneous Manufacturing Industries
Secondary Code: None

D. the issuer's fiscal year end date;

December 31

E. principal products or services, and their markets;

SUTIMCo has been operating in the emerging technologies market since 2006. SUTIMCo transforms University science research into a commercial product and profitable enterprise utilizing a proprietary management services platform designed to reduce time-to-market, time-to-profit and increase chances of success.

In April of 2011, the Company completed the acquisition of SUTIMCo, Inc. (www.SUTI.com) a provider of management services and infrastructure for emerging technology companies based in Santa Ana, CA. As part of the agreement, AquaStar Holdings has acquired 100% of the shares of SUTIMCo Inc. in exchange for $9,500,000, payable in $4,000,000 of preferred stock in AquaStar Holdings and $5,500,000 in cash to be paid within a 24 month period from the date of closing. The Company's first objective will be to negotiate and secure new financing to support the growth and product development of the university developed technologies that SUTIMCo manages.

SUTIMCo’s early stage management services and infrastructure are provided through Business Units (parent companies that manage and support up to four portfolio companies). The mission of each Business Unit is to finance, grow and sell successful companies as they mature out of the start-up stage and become attractive to larger companies. SUTIMCO plans to operate Business Units in the areas of Quality of Life, Energy, Food Safety, Water, Food, Education and Automotive.

Each new business unit benefits from SUTIMCo’s early stage management expertise and administrative services, often absent in a traditional start-up company. SUTIMCo’s well-defined systems infuse technology startups with early stage management teams and infrastructure, innovator-focused methodologies, processes and strategies, and a supportive, creative environment designed to reduce risk to stakeholders and accelerate large financial returns. Traditional venture capital models offer success rates on the order of 1 in 10. SUTIMCo, believes that much higher success rates are possible if the appropriate management systems are put in place at the outset. Most new technology ventures fail, not because of the inadequacy of the technology, but because the venture does not have the vitally needed domain expertise in knowing how to launch and grow a new company.

As the managing entity, SUTIMCo manages investment dollars and all aspects of the early stage company’s initial activities including product definition, product development, marketing, sales, finance, human resources, and team building. SUTIMCo continues to provide overall developmental and administrative support services to each operating portfolio company until the company can stand alone or be sold. With the financing for each portfolio company coming through the Business Unit, risk is spread among multiple projects all the while increasing the likelihood of success through deployment of SUTIMCo’s methodology.

The SUTIMCo business strategy avoids the limitations of working solely with one technology, it allows the Company to have access to the greatest minds around the country and it allows the management team to “cherry pick” the very best technologies taking innovation from laboratory to marketplace. The benefit from SUTIMCo is twofold; (one), the Company can realize the immediate revenue generated from the Venture Acceleration Agreements in place with the various Business Units; and (two), SUTIMCo then works with the companies in their development earning equity and having the option to acquire the “cream of the crop.” This allows SUTIMCo, as a management company, to go ahead and look at the various technologies that are coming from all the major universities, assist them in securing funding, develop them and then take an equity position in the best ones.

The SUTIMCo, Inc. robust portfolio of relationships with prestigious American universities is strategic. North American universities invest over $42 billion in science and technology research, with about 15,000 new technologies disclosed annually. SUTIMCo's portfolio of technology and innovation start-ups, in partnership with more than two-dozen of the nation's premier research universities, includes operating companies, companies in the pre-funding stage and projects in the development process. Each of these business entities is being advanced by the SUTIMCo management team and methodology.

Currently SUTIMCO is working to fund and operate four Business Units, Water Technologies, Quality of Life, Automotive and Education. SUTIMCo is actively seeking investment partners to assist in the further development of the University technologies described above.

Although the new business model could be tremendously profitable, SUTIMCo’s clients do not have the capital necessary to pay SUTIMCo on a timely basis. SUTIMCo must wait for its clients to either raise money or generate revenues in order to receive money from its Venture Accelerator Agreements (VAA). Therefore, SUTIMCo must rely on equity investments to make up for the cash shortfall from operations. SUTIMCo management believes that the short term risk will pay off as the technologies behind the VAA is based upon both University Research and Government support.

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.

SUTIMCo International Inc. currently leases office space at 515 Cabrillo Park Drive, Ste. 300 Santa Ana, CA 92701. The office is approximately 1,400 sq ft.

8) Officers, Directors, and Control Person

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 name 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:

Malcolm D. Lennie, President, Age 65

Business address: 5410 – 97 Street, Edmonton, Alberta, Canada T6E 5C1

Employment history / Board Memberships & other affiliations:

For the past 35 years Mr. Lennie has been a practicing lawyer in Edmonton, Alberta, operating as Malcolm D Lennie Professional Corporation. His areas of practice included small business commercial law, real property, intellectual property law, technology transfer issues, and litigation.Mr. Lennie has held several board positions including, Sutimco International Inc., and Intellistick Inc.

Member of the Law Society of Alberta and the Edmonton Bar Association.

Compensation by the issuer: Directors Fee is $25,000 annually

Number, Class & Percentage of Outstanding Shares of the Issuers Securities Beneficially Owned: Person Named above owns 27,909 shares of Common stock (<1% of Outstanding).

Fred Rogers, Chairman and Treasurer, Age 63

Business address: 515 Cabrillo Park Drive, Suite 300, Santa Ana, CA 92701

Employment history / Board Memberships & other affiliations:

Mr. Rogers currently serves as the President and CEO of SUTIMCo, Inc. For 40 years, Mr. Rogers has been a serial entrepreneur having founded and lead over a half a dozen companies, and has done extensive research and analysis into the process of technology commercialization. From 1996 to the present, Mr. Rogers is the founder, a director of, and president of Select University Technologies Inc., a licensor of technologies developed by universities. Mr. Rogers's extensive experience of locating, developing, and financing emerging technologies has resulted in partnerships with the top Universities in the Country. Mr. Rogers hold an MBA from the University of Alberta.

Compensation by the issuer: Directors Fee is $25,000 annually

Number, Class & Percentage of Outstanding Shares of the Issuers Securities Beneficially Owned: Person Named above owns 123,997 of Common Shares (4.29% of Outstanding).

Bert E. Trentham, Secretary, Director, Age 70

Business address: 1851 Fairway Dr, Walla Walla, WA 99362-8624

Employment history / Board Memberships & other affiliations:

CEO of Byrnes International LLC which provides consulting in Asia. Board member of Walla Walla Community Council, Friends of Children of Walla Walla, Intellistick Inc. and Wildcap Energy Inc. Byrnes International LLC is the General Partner of SUTI Holdings LP, a stockholder of the company.

Compensation by the issuer: Directors Fee is $25,000 annually

Number, Class & Percentage of Outstanding Shares of the Issuers Securities Beneficially Owned: Person Named above owns 14,006 of Common Shares (<1% of Outstanding).

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 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

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 residents agents of the corporate shareholders.

Name & Address	***Number of Beneficially Shares Owned***
Name: SUTI HOLDINGS LP Title: Bert E. Trentham, President of Byrnes International LLC, General Partner of Suti Holdings LP Address: 515 Cabrillo Park Dr, Ste 300, Santa Ana CA 92704	20 Preferred B 400,000 Preferred D 5,500 Preferred E

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 matter relating to operations, business development and disclosure:

Legal Counsel

Name: Brian F. Faulkner
Firm: Brian F. Faulkner, A Professional Law Corporation
Address: 27127 Calle Arroyo, Suite 1923, San Juan Capistrano, CA 92675
Phone: (949) 249-1361
Email: BriFFaulk@aol.com

Accountant or Auditor

Firm: L.L. Bradford

Address: 8880 W. Sunset Road, Third Floor, Las Vegas, NV 89148
Phone: (702) 921-5227

Investor Relations Consultant

None

Other Advisor

None

10) Issuer Certification

The issuer shall include certifications but the chief executive officer and chief financial officer of the issuer (or any other person with different title, but having the same responsibilities).

I, Fred Rogers, certify that:

1. I have reviewed this Annual Disclosure Statement of SUTIMCo International, 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: Nov 14, 2013

Fred Rogers

Title: President

Date: Nov 14, 2013

SUTIMCO INTERNATIONAL INC.
Consolidated Balance Sheets
Unaudited

	30-Sep 2013	31-Dec 2012
ASSETS		
Current assets:		
Cash and cash equivalents	$ 4,950	$ 1,007
Accounts Receivable	140	140
Prepaid Expenses	8,966	8,966
Investment in related parties	2,610	2,132
Total current assets	16,665	12,244
Total assets	$ 16,665	$ 12,244
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current liabilities:		
Accounts payable	$ 233,313	$ 1,284,760
Accrued expenses	921,902	1,183,881
Due to related party	962,750	1,061,600
Notes payable	55,856	14,456
Convertible notes payable	222,620	1,445,703
Total current liabilities	2,396,442	4,990,400
Long term liabilities:		
Note payable - related party - long term	700,000	5,500,000
Total liabilities	3,096,442	10,490,400
Commitments and contingencies		
Stockholders' deficit:		
Series A convertible preferred stock, $0.001 par value; 10 shares authorized, issued and outstanding as of September 30, 2013 and December 31, 2012, respectively, liquidation preference of $1,000,000 as of September 30, 2013 and December 31, 2012, respectively.	-	-
Series B convertible preferred stock, $0.001 par value; 20 shares authorized, issued and outstanding as of September 30, 2013 and December 31, 2012, respectively, liquidation preference of $2,000,000 as of September 30, 2013 and December 31, 2012, respectively.	-	-
Series C convertible preferred stock, $1.00 par value; 591,500 shares authorized issued and outstanding as of September 30, 2013 and 50,000 shares authorized, issued and outstanding as of December 31, 2012, respectively	591,500	50,000
Series D convertible preferred stock, $10.00 par value; 400,000 shares authorized, issued, and outstanding as of September 30, 2013 and 100,000 shares authorized, issued and outstanding at December 31, 2012, respectively.	4,000,000	1,000,000
Series E convertible preferred stock, 5,500 shares authorized, issued, and outstanding as of September 30, 2013.	5,500,000	-
Common stock; $0.001 par value; 2,500,000,000 shares authorized; 949,347,474 shares issued and outstanding as of September 30, 2013, and 423,250,141 shares issued and outstanding as of December 31, 2012, respectively.	949,347	423,250
Additional paid-in capital	4,996,186	8,439,673
Accumulated deficit	(19,108,906)	(20,383,174)
Total SUTIMCo International, Inc. stockholders equity	(3,071,873)	(10,470,251)
Noncontrolling interest in subsidiary	(7,905)	(7,905)
Total stockholders' deficit	(3,079,778)	(10,478,156)
Total liabilities and stockholders' deficit	$ 16,665	$ 12,244

See accompanying Notes to Financial Statements

SUTIMCO INTERNATIONAL INC.
Consolidated Statements of Operations
Unaudited

	Nine Months Ended Sept 30, 2013	Nine Months Ended Sept 30, 2012
Revenues:		
Income	$ 20,000	$ 26,687
Debt Forgiveness	$ 1,064,313	$ -
Operating expenses:		
Sales, general and administrative	(280,402)	938,166
Total operating expenses	(280,402)	938,166
Income (Loss) from operations	1,364,715	(911,479)
Other expenses:		
Interest expense	42,483	46,188
Interest expense from beneficial conversion feature	47,964	660,217
Total other expenses	90,447	706,405
Net Income (Loss)before provision for income taxes	1,274,268	(1,617,884)
Provision for income taxes	-	-
Net Income (loss)	$ 1,274,268	$ (1,617,884)
Net loss attributable to noncontrolling interest	-	523
Loss attributable to SUTIMCo International, Inc.	$ 1,274,268	$ (1,617,361)
Net loss per share, basic and diluted	$ (0.02)	$ (0.02)

See accompanying Notes to Financial Statements

SUTIMCO INTERNATIONAL INC.
Consolidated Statements of Stockholders' Deficit
For the period January 1, 2013 through September 30, 2013
Unaudited

	Class A Preferred		Class B Preferrec		Class C Preferred		Class D Preferred		Class E Preferred		Common Stock		Additional	Non Controlling	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Paid-In	Interest	Deficit	Deficit
Balance December 31, 2012	-	$ -	20	$ -	50,000	$ 50,000	100,000	$ 1,000,000	-	$ -	423,250,144	$ 423,250	$ 8,439,673	$ (7,905)	$ (20,383,174)	$ (10,478,156)
Common stock issued in satisfaction of conversion of debt	-	-	-	-	-	-	-	-			681,097,330	681,097	(612,487)	-	-	68,611
Preferred stock issued in satisfaction of debt	-	-	-	-	-	-	-	-	5,500	5,500,000	-	-	-	-	-	5,500,000
	-	-	-	-	541,500	541,500	-	-	-	-	-	-	-	-	-	541,500
	-	-	-	-	-	-	300,000	3,000,000	-	-	(155,000,000)	(155,000)	(2,845,000)	-	-	-
Beneficial conversion features on convertible debt	-	-	-	-	-	-	-	-	-	-	-	-	14,000	-	-	14,000
Net Income (Loss)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,274,268	1,274,268
Balance Sept 30, 2013	-	-	20	-	591,500	$ 591,500	400,000	$ 4,000,000	5,500	$ 5,500,000	949,347,474	$ 949,347	$ 4,996,186	$ (7,905)	$ (19,108,906)	$ (3,079,777)

See accompanying Notes to Financial Statements

SUTIMCO INTERNATIONAL INC.
Consolidated Statements of Cash Flows
For the Nine Months Ended September 30, 2013 and September 30, 2012
Unaudited

	September 30 2013	September 30 2012
Cash flows from operating activities:		
Net Income (Loss)	$ 1,274,268	$ (1,617,884)
Adjustments to reconcile net loss to net cash used in operating activities		
Stock issued for operating expenses	-	71,800
Accretion of convertible note payable discounts	-	660,217
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	-	(139)
(Increase) decrease in prepaid expense	-	(3,966)
Increase (decrease) in accounts payable	(1,051,447)	393,281
Increase (decrease) in accrued expenses	(261,979)	315,993
Increase (decrease) in bank overdraft	-	(435)
Increase (decrease) in due to related parties	(97,970)	54,070
Net cash used in operating activities	(137,128)	(127,063)
Cash flows from investing activities:		
Investment in related parties	(478)	(241)
Net cash used in investing activities	(478)	(241)
Cash flows from financing activities		
Proceeds from notes payable	41,400	5,500
Increase (decrease) in convertible note payable	(1,223,083)	129,500
Issuance of Series "C" Preferred stock at $1.00 per share	541,500	-
Issuance of common stock for exercise of options	781,732	-
Net cash provided by financing activities	141,549	135,000
Net change in cash	(3,943)	7,696
Cash beginning of period	1,007	99
Cash end of period	$ 4,950	$ 7,795
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ -	$ -
Supplemental disclosures of non-cash investing activities and financing activities:		
Accounts payable exchanged for convertible notes payable	$ 29,305	$ 600,000
Accrued expenses exchanged for convertible note payable	$ -	$ 5,000
Note payable-related party for acquisition of affiliate	$ -	
Common stock issued in satisfaction of convertible debt	$ 681,097	$ 123,284
Beneficial conversion feature on convertible debt		$ 731,007
Note payable-related party for acquisition of affiliate	$ -	$ -

See accompanying Notes to Financial Statements

SUTIMCO INTERNATIONAL, INC.
NOTES TO
CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION

Description of Business

Sutimco International, Inc. (hereafter referred to as the "Company") is a Nevada corporation formed as Real Paper Displays Inc. on May 11, 2006. The Company is a holding company, which utilizes a platform to launch new technology enterprises based on university research developed technologies. The Company provides experienced management to early stage companies that reduce risk of business failure.

Acquisitions

AquaStar Corporation

On October 23, 2009, the Company acquired a 90% ownership in AquaStar Corporation, a privately held Nevada corporation owned by a significant stockholder, for $2,000 (100,000 shares of common stock valued at $.02/share). The Company's consolidated financial statements include the operating results of AquaStar Corporation from the date of acquisition. Pro forma results of operations prior to acquisition have not been presented because the effects of the acquisition of the majority ownership of AquaStar Corporation were not material to the Company's financial results.

SUTIMCo, Inc.

On April 1, 2011, the Company consummated an agreement to acquire 100% of the issued and outstanding capital stock of SUTIMCo, Inc. from a significant stockholder. In exchange, the Company issued 300,000 shares of Class D convertible preferred stock valued at $3,000,000 ($10.00 par value per share) and 30,000,000 Restricted Common Shares valued at $1,000,000. Each share of Series D convertible preferred stock shall be convertible, at the option of the shareholder after a holding period of a minimum of 12 months from the issue date on the share certificate. The Series D convertible preferred stock shares shall be exchanged for the common shares of the Company at a 20% discount to the 10 day average closing price immediately preceding the date on which the Series D convertible preferred stock certificate is received. Additionally, the Company issued a debt instrument in the amount of $5,500,000 which is payable within a twenty-four (24) month period from the date of closing. The note bears no interest and is unsecured.

On November 8, 2011 the Acquisition Agreement was amended as follows; Seller shall receive ($9,500,000) (the "Purchase Price"), to be paid to seller as follows: One Million Dollars ($1,000,000) in the form of Restricted Common Shares of the Buyer, which is due upon closing, Three Million Dollars ($3,000,000) in the form of Preferred Shares of the Buyer to be paid within 30 days from the date of closing, and Five Million Five Hundred Thousand Dollars ($5,500,000) in cash to be paid within a 24 month period from the date of closing.

On September 3, 2013, the Company entered into a Debt Exchange Agreement converting Five Million Five Hundred Thousand Dollars ($5,500,000) into 5,500 Series E Convertible Preferred Shares.

As of September 30, 2013 SUTI Holdings LP returned all common shares to the company for cancellation in order to help the company facilitate a liquidity requirement and received $3,000,000 in Preferred D shares.

ASC Topic 805, *Business Combinations*, defines the relationship of owners and management of the Company. The Company determined that the acquisition of both AquaStar Corporation and SUTIMCo, Inc. should be accounted for under the guidance of ASC Topic 805-50 "*Transactions Between Entities Under Common Control"*, which requires that assets and liabilities of the acquisition be carried at historical cost and that the financial be combined similar to the pooling method as if the transaction had occurred at the beginning of the period. Accordingly, the shares, including value and beneficial conversion feature have been reflected as of December 31, 2009.

Basis of Presentation

The financial statements of the Company have been prepared in accordance with the accounting principles generally accepted in the United States of America ("GAAP"). In the opinion of management all normal recurring adjustments considered necessary to give a fair presentation of operating results for the periods presented have been included. Interim results are not necessarily indicative of results for a full year. The information included in this Form 10Q should be read in the conjunction with information included in the 2011 audited financials.

Principals of Consolidation

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and include the accounts of the Company and its majority owned subsidiaries, AquaStar Corporation and Sutimco Inc. All intercompany accounts and transactions have been eliminated. In the opinion of management, all adjustments necessary to present fairly the consolidated financial position as of September 30, 2013 have been included in the consolidated financial statements.

Going Concern

The Company's consolidated financial statements are prepared using the accrual method of accounting in accordance with accounting principles generally accepted in the Unites States of America and have been prepared on a going concern basis, which contemplates the realization of assets and settlement of liabilities in the normal course of business. The Company cannot provide assurance that it can sustain profitability on a quarterly or annual basis in the future. The Company anticipates it may incur losses until it is able to establish significant levels of revenue while controlling its expenses. The Company's success is dependent upon (a) the successful launching of new university research technologies which will generate management fees for the Company and (b) the development, marketing and sales of the products sold by the portfolio companies that the Company manages. There can be no assurance of either of these two factors. Any future success that the Company might experience will depend upon many factors, including factors out of its control or which cannot be predicted at this time.

These factors may include changes in or increased levels of competition, including the entry of additional competitors and increased success by existing competitors, changes in general economic conditions, increases in operating costs, including costs of supplies, personnel and equipment, reduced margins caused by competitive pressures, failure of the Company to launch new technologies and other factors. These conditions may have a materially adverse effect upon the Company or may force it to reduce or curtail operations. In addition, the Company will require additional funds to sustain and expand its efforts, particularly if a well-financed competitor emerges.

From September 2006 through September 2013, the Company raised $357,719, net of issuance costs, in private offerings of its common stock. The Company also raised $70,000 in a private offering of Series C preferred stock for the period ending September 30, 2013. Despite the Company's success in the offerings, there are no assurances that the Company will be able to continue to obtain debt or equity financing on terms acceptable to the Company, if at all. The inability to obtain sufficient funds from operations or external sources would require the Company to curtail or cease operations. Any additional equity financing may involve substantial dilution to then existing stockholders.

Management plans to continue to seek additional funds to meet its capital requirements by issuing additional equity and debt securities.

In view of the matters described above, the continued operations of the Company are dependent upon the Company's ability to raise additional capital, obtain financing and to succeed in its future operations.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Definition of fiscal year

The Company's yearend is December 31.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Only highly liquid investments with original maturities of 90 days or less are classified as cash and equivalents. These investments are stated at cost, which approximates market values.

The Company maintains its cash balances at credit-worthy financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC"). As of September 30, 2013, management believes the risk of loss of cash balances in excess of the insured limit to be low.

Fixed Assets.

Fixed assets are stated at cost less accumulated depreciation. Depreciation is provided principally on the straight-line method over the estimated useful lives of the assets, which are primarily 3 to 5 years except for the building that is being depreciated over a life of 39 years. The cost of repairs and maintenance is charged to expense as incurred. Expenditures for property betterments and renewals are capitalized. Upon sale or other disposition of a depreciable asset, cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in other income (expense).

The Company periodically evaluates whether events and circumstances have occurred that may warrant revision of the estimated useful lives of fixed assets or whether the remaining balance of fixed assets should be evaluated for possible impairment. The Company uses an estimate of the related undiscounted cash flows over the remaining life of the fixed assets in measuring their recoverability.

Convertible Debenture and Beneficial Conversion Feature.

If the conversion feature of conventional convertible debt provides for a rate of conversion that is below market value, this feature is characterized as a beneficial conversion feature ("BCF"). A BCF is recorded by the Company as a debt discount. In those circumstances, the convertible debt will be recorded net of the discount related to the BCF. The Company amortizes the discount to interest expense over the life of the debt using the effective interest method.

Fair Value of Financial Instruments

The Company calculates the fair value of its assets and liabilities which qualify as financial instruments under this standard and includes this additional information in the notes to the financial statements when the fair value is different than the carrying value of those financial instruments. The estimated fair value of cash, accounts payable and notes payable approximate their carrying amounts due to the nature and short maturity of these instruments. The Company considers the carrying value of its financial instruments to approximate their fair value due to the short maturity of these instruments.

Fair value measurement

ASC Topic 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value in accordance with generally accepted accounting principles, and requires certain disclosures about fair value measurements. In general, fair values of financial instruments are based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon internally developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. Any such valuation adjustments are applied consistently over time. At this time, management does not plan to adopt fair value accounting for nonfinancial assets or liabilities.

Stock-Based Compensation

All issuances of the Company's stock for non-cash consideration have been assigned a per share amount equaling either the market value of the shares issued or the value of consideration received, whichever is more readily determinable. The measurement date for the fair value of the equity instruments issued is determined at the earlier of (i) the date at which a commitment for performance by the consultant or vendor is reached or (ii) the date at which the consultant or vendor's performance is complete. In the case of equity instruments issued to consultants, the fair value of the equity instrument is recognized over the term of the consulting agreement. At September 30, 2013 and December 31, 2012, no such transactions were recorded.

The Company accounts for all compensation related to options or warrants using a fair value based method whereby compensation cost is measured at the grant date based on the value of the award and is recognized over the service period, which is usually the vesting period. The Company uses the Black-Scholes valuation model to calculate the fair value of options and warrants issued to both employees and non-employees.

Net Loss Per Share

Basic net loss per share is computed by dividing the net loss available to common stockholders for the period by the weighted average number of shares of common stock outstanding during the period. The calculation of diluted net loss per share gives effect to common stock equivalents. Such amounts include shares potentially issuable upon conversion of the convertible preferred stock.

Revenue Recognition

For all portfolio companies that the Company manages, the Company enters into a Venture Acceleration Agreement, (the "Venture Agreement"). Pursuant to the Venture Agreement, the Company will provide certain services and personnel to the portfolio company for an initial term of three years. In return, the portfolio company will pay a management fee and a performance fee.

The management fee calls for a one-time payment of $100,000 and an annual fee in the amount of $930,000, payable in monthly installments of $77,500. For the first three years of the Venture Agreement, the performance fee is six percent of gross revenue. Thereafter, the performance fee will be fifteen percent of quarterly operating profit before the performance fee. Additionally, if the portfolio company has an operating profit in the fourth quarter of the third year of the Agreement, the Company will be entitled to receive fifteen percent of the portfolio company's gross revenue during the two years following the initial term of the Venture Agreement. No performance fees are due for the six months ended September 30, 2013.

The company offers these services to start up entities that initially do not have the capital to pay the fees, and therefore, collection is not assured until such time these entities successfully raise capital via debt or equity financing. Revenue in this case would be recognized on the cash basis until such time the entities become viable. For the nine months ended September 30, 2013 and for the year ended December 31 2012, all revenues recorded were on a cash basis.

Income Taxes

The Company accounts for income taxes in accordance with ASC Topic 740, Income Taxes. Under this standard, deferred tax assets and liabilities are recognized for future tax benefits or consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measure using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is provided for significant deferred tax assets when it is most likely that such an asset will not be realized through future operations.

Recent Accounting Pronouncements

In December 2011, the Financial Accounting and Standards Board (FASB) issued ASU 2011-11, Balance Sheet (Topic 210): Disclosures about Offsetting Assets and Liabilities ("ASU 2011-11"). ASU 2011-11 requires an entity to disclose both gross and net information about both instruments and transactions eligible for offset in the statement of financial position and instruments and transactions subject to an agreement with a similar master netting arrangement. ASU 2011-11 is effective for annual and interim reporting periods beginning on or after January 1, 2013. Retrospective disclosure is required for all comparative periods presented. Since this accounting standard requires only enhanced disclosure, the adoption of this standard is not expected to have an impact our financial position or results of operations.

In September 2011, the FASB issued ASU 2011-08, Intangibles-Goodwill and Other (Topic 350): Testing Goodwill for Impairment ("ASU 2011-08"). Under ASU 2011-08, companies testing goodwill for impairment have the option of performing a qualitative assessment before calculating the fair value of the reporting unit (i.e. step 1 of the goodwill impairment test). If companies determine, on the basis of qualitative factors, that the fair value of the reporting unit is more likely than not less than the carrying amount, the two-step impairment test would be required. ASU 2011-08 is effective for annual and interim goodwill impairment tests performed for fiscal years beginning after December 15, 2011, with early adoption permitted. The Company is evaluating the revised guidance and does not anticipate that adoption will have a material impact on the Company's Consolidated Financial Statements.

In June 2011, the FASB issued Accounting Standards Update No. 2011-05, Comprehensive Income (Topic 220): Presentation of Comprehensive Income (“ASU 2011-05”). ASU 2011-05 will require companies to present the components of net income and other comprehensive income either as one continuous statement or as two consecutive statements. It eliminates the option to present components of other comprehensive income as part of the statement of changes in stockholders’ equity. The standard does not change the items which must be reported in other comprehensive income, how such items are measured or when they must be reclassified to net income. This standard is effective for interim and annual periods beginning after December 15, 2011. Because this ASU impacts presentation only, it will have no effect on our financial condition, results of operations or cash flows.

In July 2012, the Financial Accounting and Standards Board (FASB) issued Accounting Standards Update (“ASU”) ASU 2012-02, Intangibles – Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment. ASU 2012-02 addresses valuation of indefinite-lived intangible assets other than goodwill, and allows an entity the option to first assess qualitative factors to determine whether it is more likely than not that impairment has occurred. If an entity determines it is not likely that impairment has occurred no further action is necessary. ASU 2012-02 is effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, with early adoption permitted. The Company is evaluating the revised guidance and does not anticipate that adoption will have a material impact on the Company's Consolidated Financial Statements.

NOTE 3 – INCOME TAXES

The Company accounts for income taxes in accordance with ASC Topic 740, “Income Taxes.” Under this standard, deferred tax assets and liabilities are recognized for future tax benefits or consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is provided for significant deferred tax assets when it is most likely that such an asset will not be realized through future operations.

NOTE 4 – DUE TO RELATED PARTIES

The Company entered into an unsecured revolving note payable to SUTI Holdings LP, a significant shareholder, that was amended in January 2008 to allow the Company to borrow up to $400,000 subject to availability of funds. The note is due 30 days after a written demand for payment has been made and bears simple interest at 10 percent per annum. Interest in the amount of $13,006 was accrued on the note during the nine months ended September 30, 2013. Total principal and interest due to SUTI Holdings under this agreement was $494,960 at September 30, 2013 and $482,491 of December 31, 2012.

Two of the Directors of the Company provided services and funds to the Company. The amounts owing are unsecured, non-interest bearing and due on demand. The balances on the amounts owing to the two Directors as of September 30, 2013 and December 31, 2012 is $32,350 and $117,537, respectively. As of September 30, 2013 two Directors converted $124,000 to Series C Convertible Preferred Shares.

Two affiliated companies have advanced funds to the Company or provided services. These amounts are unsecured, non-interest bearing and due on demand. The balance on the advances at September 30, 2013 and December 31, 2012 was $436,323 and $437,161, respectively.

NOTE 5 –PROMISSORY NOTES AND CONVERTIBLE NOTES

Convertible Debenture

On October 15, 2009, the Company entered into an agreement with Big Apple Equities, LLC ("Big Apple") to provide consulting services. The consulting agreement was assigned by Big Apple Equities, LLC to Boost Marketing on October 15, 2010 with the Company's concurrence.

The Company entered into various unsecured debt arrangements in the form of promissory notes payable to Boost Marketing. The total amount of the promissory notes was $1,286,566. The notes are due 10 days after receiving a written demand for payment from Boost Marketing. The promissory notes bear interest at the rate of 5% per annum. Payment of the notes can be either in cash or SUTIMCo International, Inc. stock. If payment is made in SUTIMCo International, Inc. stock, the "conversion price" is the lesser of (a) the price that the SUTIMCo International, Inc. common stock is trading at on the date of conversion less a 50% percent discount or (b) $0.0001 per share.

On February 13, 2013 the contract with Boost Marketing LLC was terminated with 90 day notice. A settlement agreement resulted in the forgiveness of debt. Convertible Promissory Notes are to be held in Escrow until receiving $5,000,000 in funding. Convertible Promissory Notes total $700,000 at September 30, 2013.

The Company entered into various unsecured debt arrangements in the form of promissory notes payable to Just Marketing. The notes are due 10 days after receiving a written demand for payment from Just Marketing. The promissory notes bear interest at the rate of 5% per annum. Payment of the notes can be either in cash or SUTIMCo International, Inc. stock. If payment is made in SUTIMCo International, Inc. stock, the "conversion price" is the lesser of (a) the price that the SUTIMCo International, Inc. common stock is trading at on the date of conversion less a 50% percent discount or (b) $0.0001 per share. The balance on the note as of September 30, 2013 was $96,600. Interest in the amount of $2,610 was accrued on the note during the nine months ended September 30, 2013.

On June 22, 2012 the Company entered into an unsecured debt arrangement in the form of promissory notes payable to Redwood Management LLC. The total amount of the promissory notes is $40,000. The notes are due 10 days after receiving a written demand for payment from Redwood Management LLC. The promissory notes bear interest at the rate of 12% per annum. Payment of the notes can be either in cash or SUTIMCo International, Inc. stock. If payment is made in SUTIMCo International, Inc. stock, the "conversion price" is the lesser of (a) the price that the SUTIMCo International, Inc. common stock is trading at on the date of conversion less a 50% percent discount or (b) $0.0001 per share. The balance on the note as of September 30, 2013 was $26,215. Interest in the amount of $3,469 was accrued on the note during the nine months ended September 30, 2013.

The Company entered into various unsecured debt arrangements in the form of promissory notes payable to Fairhills Capital Offshore. The total amount of the promissory notes is $27,500. The notes are due 10 days after receiving a written demand for payment from Fairhills Capital Offshore. The promissory notes bear interest at the rate of 8% per annum. Payment of the notes can be either in cash or SUTIMCo International, Inc. stock. If payment is made in SUTIMCo International, Inc. stock, the "conversion price" is the lesser of (a) the price that the SUTIMCo International, Inc. common stock is trading at on the date of conversion less a 50% percent discount or (b) $0.0001 per share. The balance on the note as of September 30, 2013 was $27,500. Interest in the amount of $1,650 was accrued on the note during the nine months ended September 30, 2013.

On October 12, 2012 the Company entered into an unsecured debt arrangement in the form of promissory notes payable to Richard B. Waddington. The total amount of the promissory note is $22,500 and reduces the amount owing in accrued wages. The notes are due 10 days after receiving a written demand for payment from Richard B. Waddington. The promissory notes bear interest at the rate of 5% per annum. Payment of the notes can be either in cash or SUTIMCo International, Inc. stock. If payment is made in SUTIMCo International, Inc. stock, the "conversion price" is the lesser of (a) the price that the SUTIMCo International, Inc. common stock is trading at on the date of conversion less a 50% percent discount or (b) $0.0001 per share. The balance on the note as of September 30, 2013 was $22,500. Interest in the amount of $844 was accrued on the note during the nine months ended September 30, 2013.

The Company entered into an unsecured debt arrangement in the form of promissory notes payable to Deer Valley Management LLC on November 27, 2012. The total amount of the promissory notes is $10,000. The notes are due 10 days after receiving a written demand for payment from Deer Valley Management. The promissory notes bear interest at the rate of 8% per annum. Payment of the notes can be either in cash or SUTIMCo International, Inc. stock. If payment is made in SUTIMCo International, Inc. stock, the "conversion price" is the lesser of (a) the price that the SUTIMCo International, Inc. common stock is trading at on the date of conversion less a 50% percent discount or (b) $0.0001 per share. The balance on the note as of September 30, 2013 was $10,000. Interest in the amount of $600 was accrued on the note during the nine months ended September 30, 2013.

The Company entered into an unsecured debt arrangement in the form of promissory notes payable to Beaufort Ventures PLC on January 17, 2013. The total amount of the promissory notes is $5,000. The note is due 10 days after receiving a written demand for payment from Beaufort. The promissory notes bear interest at the rate of 12% per annum. Payment of the notes can be either in cash or SUTIMCo International, Inc. stock. If payment is made in SUTIMCo International, Inc. stock, the "conversion price" is the lesser of (a) the price that the SUTIMCo International, Inc. common stock is trading at on the date of conversion less a 50% percent discount or (b) $0.0001 per share. The balance on the note as of September 30, 2013 was $5,000. Interest in the amount of $400 was accrued on the note during the nine months ended September 30, 2013.

The Company entered into an unsecured debt arrangement in the form of promissory notes payable to Beaufort Ventures PLC on January 17, 2013. The total amount of the promissory notes is $5,000. The note is due 10 days after receiving a written demand for payment from Beaufort. The promissory notes bear interest at the rate of 12% per annum. Payment of the notes can be either in cash or SUTIMCo International, Inc. stock. If payment is made in SUTIMCo International, Inc. stock, the "conversion price" is the lesser of (a) the price that the SUTIMCo International, Inc. common stock is trading at on the date of conversion less a 50% percent discount or (b) $0.0001 per share. The balance on the note as of September 30, 2013 was $5,000. Interest in the amount of $400 was accrued on the note during the nine months ended September 30, 2013.

On October 12, 2012 the Company entered into an unsecured debt arrangement in the form of promissory notes payable to Colton Real Estate Group. The total amount of the promissory note is $29,305 and reduces the amount owing in accounts payable. The notes are due 10 days after receiving a written demand for payment from Colton Real Estate Group. The promissory notes bear interest at the rate of 8% per annum. Payment of the notes can be either in cash or SUTIMCo International, Inc. stock. If payment is made in SUTIMCo International, Inc. stock, the "conversion price" is the lesser of (a) the price that the SUTIMCo International, Inc. common stock is trading at on the date of conversion less a

50% percent discount or (b) $0.0001 per share. The balance on the note as of September 30, 2013 was $29,305. Interest in the amount of $195 was accrued on the note during the nine months ended September 30, 2013.

Notes Payable

The Company owed $2,956 to an individual as of September 30, 2013 and December 31, 2012. The note is unsecured, due on demand with 8% interest.

Note Payable – Related Party

As discussed in Note 1, on April 1, 2011, the Company consummated an agreement to acquire 100% of the issued and outstanding capital stock of SUTIMCo, Inc. from a significant stockholder. In exchange, the Company issued 300,000 shares of Class D convertible preferred stock valued at $3,000,000 ($10.00 par value per share) and 30,000,000 Restricted Common Shares valued at $1,000,000. Each share of Series D convertible preferred stock shall be convertible, at the option of the shareholder after a holding period of a minimum of 12 months from the issue date on the share certificate. The Series D convertible preferred stock shares shall be exchanged for the common shares of the Company at a 20% discount to the 10 day average closing price immediately preceding the date on which the Series D convertible preferred stock certificate is received. Additionally, the Company issued a debt instrument in the amount of $5,500,000 which is payable within a twenty-four (24) month period from the date of closing. The note bears no interest and is unsecured.

As of September 30, 2013 and in order to help the company facilitate a liquidity requirement, SUTI Holdings returned the 155,000,000 common shares it had received above and in exchange received $3,000,000 in Preferred D shares.

NOTE 6– STOCK COMPENSATION PLAN

The Company's non-qualified company stock grant and option plan ("the Plan"), dated August 17, 2007 is intended to promote the interests of the Company and its stockholders by using investment interests in the Company to attract, retain, and motivate its management and other persons, including officers, directors, key employees and certain consultants, to encourage and reward such persons' contributions to the performance of the Company and to align their interests with the interests of the Company's stockholders. In furtherance of this purpose, the Plan authorizes the granting of the following types of stock-based awards: non-qualified stock options, restricted stock awards, unrestricted stock awards, and performance stock awards.

Key employees (including employees who are also directors or officers), directors and certain consultants of the Company or any subsidiary are eligible to be granted an award and the type or types of award to be made is decided upon by the Board of Directors taking into account various factors. In the event that the award is in the form of non-qualified stock option, the Board of Directors determines the exercise price as well as the vesting schedule.

The maximum number of shares of the Company's stock that may be issued under the Plan is 4,000,000. As of September 30, 2013, the Company has issued 1,832,000 shares as stock grants to directors, consultants and a related party for services rendered in 2007. No options have been granted during the nine months ended September 30, 2013.

NOTE 7 – STOCKHOLDERS' DEFICIT

Preferred Stock

The Company is authorized to issue up to 10,000,000 shares of its $0.001 par value preferred stock, of which 10 shares have been designated Series A convertible preferred stock, 20 shares have been designated Series B convertible preferred stock, 591,500 shares have been designated Series C convertible preferred stock, 400,000 shares have been designated Series D convertible preferred stock and 5,500 shares have been designated Series E convertible preferred stock.

Series A Preferred Stock

The Series A preferred stock was issued under a technology agreement with a university and subsequently redeemed in 2010.

Series B Preferred Stock

The holders of Series B convertible preferred stock have a liquidation preference of $100,000 per share plus accrued but unpaid dividends. Such amounts will be paid on all outstanding Series B preferred shares before any payment shall be made or any assets distributed to the holders of common stock or any other stock of any other series of preferred stock, but junior to the Series A preferred stockholders. Each share of Series B preferred stock is convertible, at the option of the holder, into an equivalent number of common shares such that the percentage of ownership will be equal to 1% of the common stock authorized and outstanding on a fully diluted basis at the time of conversion. The holders of Series B preferred stock must convert their shares at such time that the Company receives at least $8.5 million in cumulative funding. The holders of these preferred shares shall have the right to vote and cast that number of votes which the holder would have been entitled to cast had such holder converted the shares immediately prior to the record date for such vote. The holder of these shares shall participate in all dividends declared and paid with respect to the common stock to the same extent had such holder converted the shares immediately prior to the record date for the dividend. The Series B preferred stock was issued to SUTI Holdings LP in February 2007.

Series C Preferred Stock

The Company is offering to accredited investors a total of 200 units of convertible Series "C" Preferred stock. Each unit consists of 10,000 shares of Series "C" Convertible Preferred Shares. Each unit is being offered at a price of $10,000. The Company plans to use the net proceeds of this Offering for working capital purposes and such other business purposes as management may from time to time determine. The offering was extended until November 30, 2013.

As of September 30, 2013, 70,000 shares of Preferred stock Series C have been sold and 521,500 shares of preferred stock series C were issued to Directors of the company reducing related party payables.

Series D Preferred Stock

The Company issued 400,000 shares of Class D convertible preferred stock valued at $4,000,000 ($10.00 par value per share) to acquire 100% of the outstanding shares of SUTIMCo, Inc. Each share of Series D convertible preferred stock shall be convertible, at the option of the shareholder after a holding period of a minimum of 12 months from the issue date on the share certificate. The Series D convertible preferred stock shares shall be exchanged for the common shares of the Company at a 20% discount to the 10 day average closing price immediately preceding the date on which the Series D convertible preferred stock certificate is received.

As of September 30, 2013, the company issued 400,000 Series D Preferred Stock in accordance with the acquisition of SUTIMCo, Inc., which was reflected as if the transaction had occurred at the beginning of the period (See Note 1).

Series E Preferred Stock

The holders of Series E convertible preferred stock have a liquidation preference of $1,000 per share. The number of votes entitled to be cast by the holders of the series E convertible preferred stock equals that number of votes that, together with votes otherwise entitled to be cast by the holders of the series E convertible preferred stock at a meeting, whether by virtue of stock ownership, proxies, voting trust agreements or others, entitle the holders to exercise one vote more than one-half of all votes entitled to be cast. The holder of these shares shall participate in all dividends declared and paid with respect to the common stock to the same extent had such holder converted the shares immediately prior to the record date for the dividend. The Series E preferred stock was issued to SUTI Holdings LP in September 2013. The Company issued 5,500 shares of Class E convertible preferred stock valued at $5,500,000 ($1.00 par value per share).

Common Stock

On June 20 2011, the company filed with the Secretary of State for Nevada a certificate of amendment that increased the authorized common stock from 950,000,000 with a par value of $0.001 to 5,000,000,000 shares of common stock with a par value of $0.001.

On November 8, 2011, the Company completed a 1,500 to 1 Reverse Stock Split for shareholders of record as of November 8, 2011. The Number of Shares Authorized was amended from 5,000,000,000 shares of Common Stock, par value $0.001, to 950,000,000 shares of Common Stock, par value $0.001, via the filing of a Certificate of Change to NRS 78.209 with the Secretary of State Nevada on October 11, 2011. All references to common shares outstanding reflect or give effect to the reverse split. The holders of the Company’s common stock are entitled to one vote per share of common stock held and have equal rights to receive dividends when, and if, declared by the Board of Directors. In the event of liquidation, holders of common stock are entitled to share ratably in the net assets available for distribution to stockholders, subject to the rights, if any, of holders of any preferred stock then outstanding.

On September 30, 2013, the company filed with the Secretary of State for Nevada a certificate of amendment that increased the authorized common stock from 950,000,000 with a par value of $0.001 to 2,500,000,000 shares of common stock with a par value of $0.001.

NOTE 8 COMMITMENTS AND CONTINGENCIES

Operating Leases

Sutimco International Inc. leases a 2,326 square foot office space in Santa Ana, California with a monthly rent and common area expense of $2,327 through January 31, 2014. Rent and common area expense totalled $22,212 for the nine months ended Sept 30, 2013.

Litigation

The Company is subject from time to time to litigation, claims and suits arising in the ordinary course of business. As of September 30, 2013 the Company was not party to any material litigation, claims or suit whose outcome could have material effect to the financial statements.

Employment Agreement

On September 24, 2012 the company formalized its employment agreement with its chief executive office, Fred Rogers. This agreement covers his services rendered for this Company in that position beginning June 1, 2010 for a period of 10 years. Mr. Rogers will be paid a fee of $15,000 per month, in cash or stock, at the Company's discretion. Mr. Rogers will receive compensation equal to $2,500 per month for each portfolio company under contract with the company. Mr. Rogers will receive 14% equity interest earned by the company in each portfolio under contract with the company. Mr. Rogers will receive 16.67% of the revenue bonus earned by the company from each portfolio company. The Executive will receive an annual stock option priced at 150% of the then trading price at the grant equal to 50% of his total preceding annual compensation. The options will have a 2 year life. As of September 30, 2013 the Company owed $72,254 and $360,000 was converted to Series C Preferred Stock.

Indemnities and Guarantees

During the normal course of business, the Company made certain indemnities and guarantees, under which it may be required to make payments to a guaranteed or indemnified party in relation to certain actions or transactions. The Company indemnifies its directors, officers, employees, consultants and agents against liabilities arising out of the performance of services to the Company. The duration of the guarantees and indemnities varies, and is generally tied to the life of the agreement. These guarantees and indemnities do not provide for any limitation of the maximum potential future payments the Company could be obligated to make. To date, the Company has not been obligated nor incurred any payments for these obligations and, therefore, no liabilities have been recorded for these indemnities and guarantees in the accompanying balance sheets.

NOTE 9 – SUBSEQUENT EVENTS

On October 2, 2013 the Company issued 38,885,000 shares of common stock under SEC Rule 144 to Redwood Management LLC to reduce monies owed on the promissory note dated June 22, 2012. The shares were valued at $3,885.

On October 9, 2013 the Company issued 90,000,000 shares of common stock under SEC Rule 144 to Just Marketing Group to reduce monies owed on the promissory note dated June 5, 2012. The shares were valued at $5,500.

On October 9, 2013 the Company issued 90,000,000 shares of common stock under SEC Rule 144 to IR PRO 2.0 Inc. To reduce monies owed on the promissory note dated July 30, 2012 and assigned from Just Marketing. The shares were valued at $4,500.00.

On October 30, 2013 the Company issued 60,000,000 shares of common stock under SEC Rule 144 to Redwood Management LLC to reduce monies owed on the promissory note dated June 22, 2012. The shares were valued at $3,000.

On November 6, 2013 the Company issued 100,000,000 shares of common stock under SEC Rule 144 to Just Marketing Group to reduce monies owed on the promissory note dated August 21, 2012. The shares were valued at $5,000.

On November 6, 2013 the Company issued 110,000,000 shares of common stock under SEC Rule 144 to IR PRO 2.0 Inc. To reduce monies owed on the promissory note dated July 30, 2012 and assigned from Just Marketing. The shares were valued at $5,500.00.