

**ecoSolutions Intl**  
**(Formerly 360 Interchange, Inc.)**

**Condensed Financial Statements**

**Quarterly Period Ended March 31, 2008**

**ecoSolutions Intl (Formerly 360 Interchange, Inc.)**  
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**Quarterly Period Ended March 31, 2008**

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**ecoSolutions Intl (Formerly 360 Interchange, Inc.)**  
**Condensed Balance Sheets**

	March 31, 2008 <i>(Unaudited)</i>	December 31, 2007
<b>Assets</b>		
<b>Current assets:</b>		
Cash	\$ 243,417	\$ 10,755
Accounts receivable (related party balances of \$22,770 and \$21,271, respectively - see Note 5)	380,300	121,622
Finished goods inventory	8,969	20,250
Prepaid expenses and advances	<u>41,910</u>	<u>112,697</u>
Total current assets	674,596	265,324
<b>Property and equipment</b> , net of accumulated depreciation	85,747	85,862
<b>Security deposits</b>	<u>4,871</u>	<u>4,871</u>
	<u>\$ 765,214</u>	<u>\$ 356,057</u>
<b>Liabilities and Stockholders' Deficit</b>		
<b>Current liabilities:</b>		
Accounts payable (related party balances of \$40,281 - see Note 5)	\$ 331,987	\$ 177,312
Accrued liabilities	33,115	277,993
Customer deposits liability	7,200	14,726
Accrued payroll - officer/stockholder	105,000	105,000
Current portion of loans and interest payable (related party balances of \$335,000 and \$407,200, respectively)	<u>346,110</u>	<u>493,906</u>
Total current liabilities	823,412	1,068,937
<b>Loans and interest payable</b> , (including related party balances of \$2,019,302 and \$1,818,535, respectively, less current portion)	<u>2,055,437</u>	<u>2,078,851</u>
Total liabilities	<u>2,878,849</u>	<u>3,147,788</u>
<b>Stockholders' deficit:</b>		
Convertible preferred stock, par value \$.001; convertible 10 common for 1 preferred; 20,000,000 shares authorized; 765,615 shares issued and outstanding at March 31, 2008 and December 31, 2007	766	766
Common stock, par value \$.001; 100,000,000 shares authorized; 16,513,334 and 10,337,500 shares issued and outstanding at March 31, 2008 and December 31, 2007, respectively	16,513	10,338
Additional paid-in capital	1,602,610	787,729
Accumulated deficit	<u>(3,733,524)</u>	<u>(3,590,564)</u>
Total stockholders' deficit	<u>(2,113,635)</u>	<u>(2,791,731)</u>
	<u>\$ 765,214</u>	<u>\$ 356,057</u>

The accompanying notes are an integral part of these condensed financial statements.

**ecoSolutions Intl (Formerly 360 Interchange, Inc.)**  
**Condensed Statements of Operations**  
**(Unaudited)**

	Three Months Ended	
	March 31, 2008	March 31, 2007
<b>Gross sales</b>	\$ 1,733,805	\$ 18,098
<b>Shipping revenue</b>	24,294	4,070
<b>Services income from related party</b>	1,500	1,500
	<hr/>	<hr/>
Total revenues	1,759,599	23,668
<b>Cost of goods sold</b>	<hr/> 1,376,206	<hr/> 20,212
<b>Gross profit</b>	383,393	3,456
<b>Selling, general and administrative expenses:</b>		
Payroll expense	233,769	142,360
Other selling, general and administrative expense	193,134	206,608
	<hr/>	<hr/>
Total selling, general and administrative expenses	426,903	348,968
	<hr/>	<hr/>
<b>Operating loss</b>	(43,510)	(345,512)
<b>Interest expense, net</b>	<hr/> 99,450	<hr/> 37,950
<b>Net loss</b>	<hr/> \$ (142,960)	<hr/> \$ (383,462)
<b>Net loss per share, basic and diluted</b>	<hr/> \$ (0.01)	<hr/> \$ (0.04)
<b>Weighted average shares used in per share calculations:</b>		
Basic and diluted	<hr/> 13,930,405	<hr/> 10,104,492

The accompanying notes are an integral part of these condensed financial statements.

ecoSolutions Intl (Formerly 360 Interchange, Inc.)  
Condensed Statements of Stockholders' Deficit

	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount			
Balance at December 31, 2006	765,615	\$ 766	9,982,333	\$ 9,982	\$ 612,310	\$ (2,082,612)	\$ (1,459,554)
Issuance of common stock for cash	-	-	166,667	167	24,833	-	25,000
Issuance of common stock for services	-	-	188,500	189	39,631	-	39,820
Stock option compensation expense	-	-	-	-	110,955	-	110,955
Net loss	-	-	-	-	-	(1,507,952)	(1,507,952)
Balance at December 31, 2007	<u>765,615</u>	<u>\$ 766</u>	<u>10,337,500</u>	<u>\$ 10,338</u>	<u>\$ 787,729</u>	<u>\$ (3,590,564)</u>	<u>\$ (2,791,731)</u>
Issuance of common stock for cash	-	-	4,645,320	4,645	563,333	-	567,978
Issuance of common stock for services	-	-	41,666	42	6,208	-	6,250
Stock option compensation expense	-	-	-	-	37,459	-	37,459
Conversion of promissory notes	-	-	1,488,848	1,488	207,881	-	209,369
Net loss	-	-	-	-	-	(142,960)	(142,960)
Balance at March 31, 2008 (Unaudited)	<u>765,615</u>	<u>\$ 766</u>	<u>16,513,334</u>	<u>\$ 16,513</u>	<u>\$ 1,602,610</u>	<u>\$ (3,733,524)</u>	<u>\$ (2,113,635)</u>

The accompanying notes are an integral part of these condensed financial statements.

**ecoSolutions Intl (Formerly 360 Interchange, Inc.)**  
**Condensed Statements of Cash Flows**  
**Increase (Decrease) in Cash**  
**(Unaudited)**

	Three Months Ended	
	March 31, 2008	March 31, 2007
<b>Cash flows used for operating activities:</b>		
Net loss	\$ (142,960)	\$ (383,462)
<b>Adjustments to reconcile net loss to net cash provided by operating activities:</b>		
Depreciation and amortization	6,335	5,244
Issuance of common stock for services	6,250	39,820
Stock option compensation expense	37,459	24,736
Convertible promissory note beneficial conversion feature	41,874	-
<b>Changes in assets and liabilities:</b>		
<b>(Increase) decrease in assets:</b>		
Accounts receivable	(258,678)	(2,148)
Finished goods inventory	11,281	(671)
Prepaid expenses and advances	70,787	(2,998)
<b>Increase (decrease) in liabilities:</b>		
Accounts payable and accrued liabilities	(90,203)	6,143
Customer deposits liability	(7,526)	27,325
Net cash used for operating activities	<u>(325,381)</u>	<u>(286,011)</u>
<b>Cash flows used for investing activities :</b>		
Acquisition of property and equipment	<u>(6,220)</u>	<u>(3,846)</u>
<b>Cash flows provided by financing activities:</b>		
Borrowings (payments) on notes payable	(3,715)	285,439
Proceeds from issuance of common stock	567,978	-
Net cash provided by financing activities	<u>564,263</u>	<u>285,439</u>
<b>Net increase (decrease) in cash</b>	232,662	(4,418)
<b>Cash, beginning of period</b>	<u>10,755</u>	<u>77,621</u>
<b>Cash, end of period</b>	<u>\$ 243,417</u>	<u>\$ 73,203</u>
<b>Supplemental disclosure of cash flow information:</b>		
Cash paid during the period for interest	<u>\$ 13,614</u>	<u>\$ 9,685</u>
<b>Supplemental disclosure of non-cash financing activities:</b>		
Conversion of promissory notes to common stock	<u>\$ 167,495</u>	<u>\$ -</u>

The accompanying notes are an integral part of these condensed financial statements.

**(1) Summary of Significant Accounting Policies:**

**Business Organization**

ecoSolutions Intl (formerly 360 Interchange, Inc.) (the "Company") was founded on July 24, 2004 as an Oregon corporation. The Company reincorporated in Nevada on January 3, 2005. No discontinuance of Company operations occurred during this period. On March 17, 2008, the Company changed its name to ecoSolutions Intl.

**Business Activity**

The Company sources products from overseas, selling to various retailers, distributors or manufacturing customers located in the United States or overseas. Through March 31, 2008, the Company's product sourcing has originated from Asia, with major product categories of wood flooring products and foam products such as yoga mats. The Company has developed exclusive business arrangements with certain Asian companies, including marketing eco-friendly products as a focus of its product line.

**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.

**Fair Value**

Unless otherwise indicated, the fair values of all reported assets and liabilities, which represent financial instruments, none of which are held for trading purposes, approximate carrying values of such amounts.

(1) **Summary of Significant Accounting Policies (Continued):**

**Going Concern and Basis of Presentation**

The condensed financial statements have been prepared on a going concern basis which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company incurred a net loss of \$142,960 for the three month period ended March 31, 2008. The Company had a working capital deficiency of \$148,816 and an accumulated deficit of \$3,733,524 as of March 31, 2008. Those factors raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time. Management's intention is set forth in a business plan which assumes increased operating revenues and additional financing. The ability of the Company to continue as a going concern is dependent on the plan's success, as well as, achieving profitable operations in the future. The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

The Company's operating results will fluctuate for the foreseeable future. Therefore, period-to-period comparisons should not be relied upon as predictive of the results in future periods. The results of operations for the period ended March 31, 2008 are not necessarily indicative of the results to be expected for any subsequent periods or for the entire fiscal year.

The accompanying unaudited condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Rule 8-03 of Regulation S-X and therefore do not include all of the information and footnotes required by accounting principles accepted in the United States for comparable annual financial statements. In the opinion of the management of the Company, the accompanying unaudited condensed financial statements include all adjustments, including those that are normal and recurring considered necessary to present fairly the financial position as of March 31, 2008, and the results of operations for the period presented. Certain notes and other information have been condensed or omitted from the interim condensed financial statements presented in this quarterly report. For further information, refer to the consolidated financial statements and the notes thereto for the year ended December 31, 2007, not included in this report.

Other comprehensive net loss was equal to total net loss for both periods presented in the condensed statements of operations.



(1) **Summary of Significant Accounting Policies (Continued):**

**Revenue Recognition**

Revenue is recognized when title passes from the Company to the customer, generally when product is received by the customer, using F.O.B. destination terms. Accounts receivables are presented at the amounts collected for which no reserves have historically been required. No amount of receivables serves as collateral for borrowings.

In accordance with EITF 99-19, "Reporting Revenue Gross as a Principal versus Net as an Agent", beginning in January 2006 with orders booked, the Company began acting as a principal in the revenue transactions, assuming the risks and reward of ownership until a sale is complete by assuming general inventory and credit risks, being the primary obligor in the transaction and having latitude in establishing price and supplier selection as set forth in EITF 99-19.

The Company recognizes revenue in accordance with SEC Staff Accounting Bulletin No. 104, "Revenue Recognition in Financial Statements" ("SAB 104"), as amended. SAB 104 requires that the following four basic criteria must be met before revenue can be recognized: 1) persuasive evidence of an arrangement exists; 2) delivery has occurred or services have been rendered; 3) the fee is fixed and determinable; and 4) collectibility is reasonably assured.

In accordance with EITF 00-10, "Accounting for Shipping and Handling Fees and Costs," freight income is recognized in the period when gross sales are recognized, for those customer orders where the Company charges the customer for delivery of their products.

The Company does not have rights of product returns with its customers, however the return of products, which are non-conforming would be replaced. The Company does not provide for product warranties.

Fees are also generated for management services provided to Patridge & Company, a company in which William Patridge, President, Chairman and principal stockholder of the Company is the President. These fees are recognized monthly when the services occur.

(1) **Summary of Significant Accounting Policies (Continued):**

**Cash**

For purposes of the statement of cash flows, cash equivalents include all highly liquid debt instruments with original maturities of three months or less which are not securing any corporate obligations.

The Company maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts.

**Inventory**

Inventory consists of finished goods including freight and is valued at the lower of cost (weighted average method) or market.

**Property and Equipment**

Property and equipment are stated at cost. Depreciation of property and equipment is calculated on the straight-line method over the estimated useful lives of the assets. Estimated lives of major classes of property and equipment are automobiles (6 years), computer equipment, telephone equipment, camera equipment and computer software (3 to 4 years) and furniture and fixtures and leasehold improvements (10 years). The Company has no betterments or renewals. Repairs and maintenance is expensed as incurred.

**Income Taxes**

The Company accounts for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes." Deferred taxes are provided on the liability method whereby deferred tax assets are recognized for deductible temporary differences, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

**(1) Summary of Significant Accounting Policies (Continued):**

In July 2006, the FASB issued Interpretation No. 48, "Accounting for Uncertainty in Income Taxes," an Interpretation of FASB Statement No. 109. FIN 48 provides detailed guidance for the financial statement recognition, measurement and disclosure of uncertain tax positions recognized in an enterprise's financial statements in accordance with SFAS 109. Income tax positions must meet a more-likely-than-not recognition threshold at the effective date to be recognized upon the adoption of FIN 48 and in subsequent periods. The Company adopted FIN 48 effective January 1, 2007, and the provisions of FIN 48 will be applied to all income tax positions commencing from that date. The adoption of this principle did not have a material impact on the Company's financial statements.

**Stock-Based Compensation**

Commencing January 1, 2006, the Company adopted Statement of Financial Accounting Standard ("SFAS") No. 123R, "Share Based Payment" ("SFAS 123R"), which requires all share-based payments, including grants of stock options, to be recognized in the income statement as an operating expense, based on fair values. The effect on net income upon adoption of SFAS 123R was not materially different than as reported if the fair-value-based method had been applied to all outstanding and unvested awards.

**Advertising**

Advertising costs are expensed as incurred and totaled \$0 and \$2,147 for the three months ending March 31, 2008 and 2007, respectively.

**Shipping and Handling Charges**

For customers whom the Company arranges shipping and handling charges, these charges are included in costs of goods sold in accordance with EITF 00-10.

**Segment Reporting:**

In accordance with Statement of Financial Accounting Standards No. 131 "Disclosures about Segments of an Enterprise and Related Information", the Company has reviewed its business activities and determined that multiple segments do not exist to be reported.

**ecoSolutions Intl (Formerly 360 Interchange, Inc.)**  
**Notes to Condensed Financial Statements**  
**Quarterly Period Ended March 31, 2008**

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**(2) Customer Concentrations:**

Included in accounts receivable are \$357,528 due from two customers at March 31, 2008 and \$100,351 due from four customers at December 31, 2007. Sales earned from these customers amounted to \$1,645,814 for the three month period ended March 31, 2008 and \$199,189 for 2007.

**(3) Property and Equipment:**

Property and equipment as of March 31, 2008 and December 31, 2007 consists of the following:

	(Unaudited) March 31, <u>2008</u>	December 31, <u>2007</u>
Automobiles	\$ 69,798	\$ 69,798
Computer equipment	29,641	24,356
Furniture and fixtures	19,050	18,820
Computer software	12,809	12,503
Leasehold improvements	12,262	12,262
Camera equipment	1,578	1,578
Telephone equipment	<u>1,683</u>	<u>1,284</u>
	146,821	140,601
Less accumulated depreciation	<u>61,074</u>	<u>54,739</u>
	<u>\$ 85,747</u>	<u>\$ 85,862</u>

Depreciation expense amounted to \$6,335 and \$5,244 for the three months ended March 31, 2008 and 2007, respectively. Automobiles with a net book value of \$43,997 are collateralized against automobile loan balances of \$47,245 as of March 31, 2008.

**ecoSolutions Intl (Formerly 360 Interchange, Inc.)**  
**Notes to Condensed Financial Statements**  
**Quarterly Period Ended March 31, 2008**

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**(4) Loans Payable and Accrued Interest:**

Loans payable and accrued interest as of March 31, 2008 and December 31, 2007 are summarized as follows:

	(Unaudited) March 31, <u>2008</u>	December 31, <u>2007</u>
Note payable including interest to William Patridge for funding of the Company bearing interest at 10.0% (which commenced accrual as of January 2006), due January 2010, payable as \$380,000 in 2008, \$894,268 in 2009 and \$1,080,034 in 2010	2,354,302	2,168,535
Automobile loan payable, bearing interest at 5.3%, secured by automobile, payable in monthly principal and interest installments of \$822, due June 2011	29,385	31,445
Automobile loan payable, bearing interest at 7.5%, secured by automobile, payable in monthly principal and interest installments of \$321, due December 2013	17,860	18,477
Southern Oregon Regional Economic Development, Inc. loan payable, bearing interest at 8.0%, secured by business assets and assets owned by William Patridge, the principal stockholder, payable in monthly principal and interest installments of \$2,427 beginning September 2006, due August 2016	-	182,700
Convertible promissory notes including interest, bearing interest at 8.0%, payable in semi-annual interest installments, maturities due December 2008 through May 2009	-	<u>171,600</u>
	2,401,547	2,572,757
Less current portion	<u>346,110</u>	<u>493,906</u>
	<u>\$ 2,055,437</u>	<u>\$ 2,078,851</u>

**(4) Loans Payable and Accrued Interest (Continued):**

As of March 31, 2008, the note payable including interest to William Patridge was \$2,354,302 for funding of the Company. This note began bearing interest at 10.0% on January 1, 2006 and is due January 2, 2010. Installment payments on this note are \$45,000 paid on March 31, 2008, \$215,000 due on June 30, 2008, \$15,000 due on each of the months ending in 2008 except March and June, \$894,268 due on January 2, 2009 and \$894,267 due on January 2, 2010. Additional loans provided by Patridge and accrued interest earned during the first quarter of 2008 of \$185,767 will be due on January 2, 2010. The Company extended the note payable to William Patridge for \$1,160,566 that was due on January 1, 2008.

On January 3, 2008, the loan balance with Southern Oregon Regional Economic Developments, Inc (SORED) of \$182,700 was paid off by William Patridge. The Company's liability to SOREDI decreased to zero on that date with the liability owed to William Patridge increased by \$184,164, representing the principal balance of \$182,700 plus additional accrued interest to payoff the balance.

Convertible promissory notes of \$165,000 were issued during December 2006 through May 2007. These notes bear interest at 8.0% and mature in two years from issue date. The notes contain a feature enabling the holder to convert the note, including accrued but unpaid interest if the holder of the note desires, to common stock of the Company. The conversion feature enables the holder to convert the notes to equity at the average stock price of the Company's stock price, contingent upon the shares being listed on the Pink Sheets. The shares are convertible at a conversion price of 75% on the date the Company receives the request from the Lender. On March 10, 2008, all Lenders converted their note holdings aggregating \$167,495 into common stock of the Company. This represented principal balances of \$165,000 plus accrued interest of \$2,495. The number of shares issued to the holders was 1,488,848, representing shares converted at 75% of the estimated fair market value of \$0.15 per share or \$.1125 per share. Upon conversion on that date, the convertible promissory notes were cancelled. In accordance with Emerging Issues Task Force Abstract 98-5, "Accounting for Convertible Securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratios", at the time of issuance, the beneficial conversion feature was calculated but not recorded as this feature was dependent on a future event. On the date of conversion when the future event contingency was resolved, the beneficial conversion feature of \$41,874 was recorded as a charge to interest expense and an increase to additional paid in capital.

In accordance with SFAS 133 "Accounting for Derivative Instruments and Hedging Activities," SFAS 150 "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity", EITF 00-19 "Accounting for Derivative Financial Instruments Indexed To, and Potentially Settled In, a Company's Own Stock" and EITF 05-02 "Meaning of Conventional Convertible Debt Instrument in Issue No. 00-19", such notes were conventional convertible and no separate derivative accounting was considered necessary.

**(4) Loans Payable and Accrued Interest (Continued):**

The aggregate maturities of long-term debt at March 31, 2008 were as follows:

Year ending December 31,	
2008	\$ 343,272
2009	905,868
2010	1,137,325
2011	8,040
2012	3,435
Thereafter	<u>3,607</u>
	<u>\$ 2,401,547</u>

**(5) Related Party Transactions:**

The Company's office business facility located in Ashland, Oregon is owned by Main and Second Street LLC, a company which William Patridge, Chairman, President and principal stockholder of the Company is sole managing member and is not a variable interest entity per FIN 46R. Rent expense was accrued but not paid per agreement with William Patridge since inception through December 31, 2007. Beginning January 1, 2008, the Company has begun to pay the monthly rent due. The monthly terms are set at a fixed price, which can increase with notification from Main and Second Street LLC. The rental agreement is not collateralized. The liability to Main and Second Street LLC as of March 31, 2008 and December 31, 2007 of \$40,281 is classified as current liabilities and has not been determined to be a variable interest entity.

Fees for management services provided by the Company to Patridge & Company are recorded as services income and recorded in accounts receivable as services are incurred. William Patridge is the President of Patridge & Company. As of December 31, 2007, the accounts receivable balance was \$21,271 and fees earned for 2007 were \$6,000. As of March 31, 2008, the accounts receivable balance was \$22,770 and fees earned for the three months ended March 31, 2008 were \$1,500. The accounts receivable balance is classified as a current asset as a likelihood for collection exists over the next twelve months.

Company operations through March 31, 2008 have been funded by common stock purchases, convertible promissory notes, outside loans, loans from William Patridge and operating activities. As of December 31, 2007, the Company has a note payable including accrued interest to William Patridge of \$2,168,535 bearing interest at 10.0% starting January, 2006. This note is due in installment payments beginning from March 2008 through January 2010. The payment of \$45,000 due March 31, 2008 was paid by the Company. As of March 31, 2008, the note payable including accrued interest to William Patridge balance is \$2,354,302 (see Note 4).

**(6) Leases:**

The Company maintains an office in Shanghai, China that is obligated under a non-cancelable operating lease for office space that expires in July 2009. The office space in Ashland, Oregon, rented from Main and Second Street LLC, is on a month-to-month basis. The Company leases a company automobile with lease payments beginning November 2007 and ending October 2012. Total lease expense for all leases was \$19,632 and \$14,040 for the three months ended March 31, 2008 and 2007, respectively.

The aggregate future minimum annual lease payments under non-cancelable operating leases as of March 31, 2008 were as follows:

Year ending December 31,	
2008	\$ 35,586
2009	35,713
2010	19,284
2011	19,284
2012	14,463
Thereafter	<u>-</u>
	<u>\$ 124,330</u>

**(7) Convertible Preferred Stock:**

On November 10, 2006, certain current liabilities owing (or balances outstanding) as of September 30, 2006, owed to William Patridge, Chairman, President and principal stockholder of the Company and his affiliated companies, were retired and converted to preferred stock. The articles of incorporation of the Company were restated on November 10, 2006 to authorize 100,000,000 shares of common stock and 20,000,000 shares of preferred stock, each having a \$.001 par value. Each share of preferred stock may be converted into ten shares of common stock as fully paid and non-assessable common stock and carries ten to one voting rights. The rights and privileges of the convertible preferred stock include dividend rights and there are no liquidation preference or call preferences. The preferred stock does not carry any other rights other than the foregoing. In exchange for \$248,825 of current liabilities owed to William Patridge and his affiliated companies, 765,615 shares of preferred stock were issued to William Patridge.

In accordance with EITF Abstract 98-5, "Accounting for Convertible Securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratios", and EITF Abstract 00-27, "Application of Issue No. 98-5 to Certain Convertible Instruments", the preferred shares had no beneficial conversion option and intrinsic value because they were issued at estimated fair market value at a point in time where there was no public trading vehicle for our common stock.



ecoSolutions Intl (Formerly 360 Interchange, Inc.)  
**Notes to Condensed Financial Statements**  
**Quarterly Period Ended March 31, 2008**

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**(8) Stock Options:**

The Company has granted non-qualified and incentive stock option agreements (the "Agreements") to certain employees, advisors, consultants and board members. The Agreements provide for the grant of stock options, exercisable for shares of the Company's common stock. In May 2007, the Board of Directors, by unanimous written consent, adopted the 2007 Equity Incentive Plan and Incentive Stock Option agreement. For the three month period ending March 31, 2008, the Company granted options to purchase 490,000 shares of the Company's common stock. These options were granted with an exercise price of \$0.15 per share. These options vest over three years and expire in five years. For the three month period ending March 31, 2008, no options were exercised and 60,000 options forfeited with 3,154,500 options outstanding.

A summary is as follows:

	<u>Number of shares</u>	<u>Weighted Average Exercise Price</u>	<u>Weighted Average Remaining Contractual Life</u>
Balance at December 31, 2007	<u>2,724,500</u>	<u>\$ .210</u>	<u>3.74</u>
Granted	490,000	\$ .150	
Exercised	—	—	
Forfeited	<u>(60,000)</u>	<u>.084</u>	
Balance at March 31, 2008 (Unaudited)	<u>3,154,500</u>	<u>\$ .203</u>	<u>3.66</u>
Exercisable at March 31, 2008 (Unaudited)	<u>769,665</u>	<u>\$ .247</u>	<u>2.99</u>

Commencing January 1, 2006, the Company adopted Statement of Financial Accounting Standard ("SFAS") No. 123R, "Share Based Payment" ("SFAS 123R"), which requires all share-based payments, including grants of stock options, to be recognized in the income statement as an operating expense, based on fair values.

Under SFAS 123R, forfeitures are estimated at the time of valuation and reduce expense ratably over the vesting period. This estimate is adjusted periodically based on the extent to which actual forfeitures differ, or are expected to differ, from the previous estimate. The Company utilized a 10% forfeiture rate. For the three month period ended March 31, 2008, the Company recognized \$37,459 of stock option expense. As of March 31, 2008, there was \$234,371 of total unrecognized compensation cost related to non vested share-based compensation arrangements granted under existing stock option plans. The total fair value of shares vested and non vested as of March 31, 2008 was \$449,164, of which \$223,541 is attributed to employee options. There was no intrinsic value calculated for the options.

ecoSolutions Intl (Formerly 360 Interchange, Inc.)  
**Notes to Condensed Financial Statements**  
**Quarterly Period Ended March 31, 2008**

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**(8) Stock Options (Continued):**

The fair value of options granted to employees was estimated using the Black Scholes option-pricing model. These same assumptions are also used in applying the Black Scholes option-pricing model for any stock based option compensation paid to non-employees. The fair value of options at the date of grant and the assumptions utilized are indicated in the following table:

	(Unaudited) Three Months Ended March 31, <u>2008</u>
Weighted average of fair value at date of grant for options granted during the period	\$.150
Risk-free interest rates	1.71%-2.12%
Expected option life in years	5
Expected stock price volatility	100.0%
Expected dividend yield	-

The following summarizes the activity of the Company's non vested options for the three month period ended March 31, 2008.

	<u>Shares</u>	<u>Weighted Average Exercise Price</u>
Non vested at December 31, 2007	2,198,837	\$ .189
Granted	490,000	.150
Vested	(244,002)	.138
Forfeited	<u>(60,000)</u>	<u>.084</u>
Non vested at March 31, 2008 (Unaudited)	<u>2,384,835</u>	<u>\$ .188</u>

**(9) Shares Granted for Services:**

Certain shares granted to consultants for services provided to the Company as independent contractors are restricted under a "Restricted Stock Agreement" established January 11, 2005. These shares are subject to forfeiture over the annual anniversary date of each three year period of the agreement if the Board of Directors determines that the consultant is no longer assisting the Company. In that case, such shares shall be returned to the Company for cancellation. If the Board of Directors determines that the consultant is assisting the Company over the annual anniversary date of each three year period, the consultant shall acquire an unrestricted right to one-third of the shares of stock. As of March 31, 2008, a total of 245,000 restricted shares had been granted with 148,333 shares issued as common stock and 96,667 shares cancelled. Compensation expense for services performed during the three months ended March 31, 2008 and 2007 was \$188 and \$2,100, respectively.

Services provided by consultants outside of the "Restricted Stock Agreement" were recorded as compensation expense during the three month periods ending March 31, 2008 and 2007 of \$0 and \$9,525, respectively. Shares issued for such services during 2008 and 2007 were 0 and 146,833, respectively.

The fair market value of common stock used in the above calculations was determined based on the average price of the stock received from private investors during those timeframes and the Rule 504 offering price (see Note 12).

**(10) Loss per Share:**

The Company has adopted Statement of Financial Accounting Standards No. 128, "Earnings per Share" (SFAS No. 128). SFAS No. 128 provides for the calculation of basic and diluted earnings per share. Basic earnings per share includes no dilution and is computed by dividing income available to common shareholders by the weighted average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution of securities that could share in the earnings of an entity, such as stock options, warrants or convertible securities. Loss per share is computed as net loss divided by the weighted average of common shares outstanding for the period, as follows:

	(Unaudited)	
	Three Months Ending March 31,	
	<u>2008</u>	<u>2007</u>
Net loss available to common stockholders	\$ (142,960)	\$ (383,462)
Weighted average common shares outstanding, basic and diluted	<u>13,930,405</u>	<u>10,104,492</u>
Basic and diluted loss per share	<u>\$ (0.01)</u>	<u>\$ (0.04)</u>

**(10) Loss per Share (Continued):**

Common stock equivalents, consisting of stock options, preferred stock, convertible promissory notes and restricted stock totaling in the aggregate 7,806,150 and 9,364,484 share equivalents for the three months ending March 31, 2008 and 2007, respectively, were not included in the computation of diluted earnings per share, as their inclusion would be anti-dilutive.

**(11) Guarantees:**

Common stock purchased by one investor in the amount of \$50,000 is guaranteed by William Patridge. If the value of this investment is devalued or lost, under the agreement with William Patridge, the investor is entitled to recover the initial investment value through personal or other funds of William Patridge.

**(12) Rule 504 Offering:**

On January 25, 2008, the Company closed its Rule 504 offering raising gross proceeds of \$621,798 through 64 investors. This offering, which was approved by the state of Nevada on January 24, 2007 with additional registration approvals by qualification in the state of New York on March 16, 2007 and the state of Oregon on April 19, 2007, enabled the Company to offer common stock for purchase, within the terms of the Rule 504 filing. The Company was allowed to raise a minimum of approximately \$500,000 with a maximum of approximately \$1,000,000, which is the maximum allowed under Rule 504. Shares were offered at \$0.15 per share, with a total of 4,345,320 shares issued under Rule 504 during 2008.

On March 18, 2008, the Company received approval from the Financial Industry Regulatory Authority (FINRA) to quote its common stock on the Pink Sheets. On April 14, 2008, the National Association of Securities Dealers Automated Quotation System (NASDAQ) approved the Pink Sheets quotation for the Company's new name, ecoSolutions Intl. The trading symbol assigned to the Company is ECOI.

**(13) Subsequent Events:**

On May 28, 2008, William Patridge converted his Company preferred stock holdings to common stock of the Company. His preferred stock holdings of 765,615 shares were converted at a one to ten ratio resulting in 7,656,150 shares of common stock issued to him (see Note 7).