APPTECH, CORP.
(FKA NATURAL NUTRITION, INC.)

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The consolidated financial statements included herein have not been prepared in accordance with Generally Accepted Accounting Principles due to the fact that an evaluation of derivatives was not been performed at December 31, 2008 or subsequently in accordance with SFAS 133 and EITF No. 00-19, "Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock."

APPTECH CORP. AND SUBSIDIARIES
(FKA NATURAL NUTRITION, INC.)
CONSOLIDATED BALANCE SHEETS

	March 31, 2010 (Unaudited)	December 31, 2009 (Unaudited)
ASSETS		
CURRENT ASSETS		
Cash	$ 16,416	$ 26,238
Accounts receivable	39,103	-
Notes receivable - net of allowance of $-0- and$608,485	38,520	100,000
Investment in marketable securities	159,500	24,156
Prepaids, accrued interest and other accounts receivable	147,450	3,750
Total current assets	400,989	154,144
NONCURRENT ASSETS		
Fixed assets, net	3,364	2,927
Investment in subsidiary	45,000	45,000
Total noncurrent assets	48,364	47,927
TOTAL ASSETS	$ 449,353	$ 202,071
LIABILITIES AND SHAREHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	$ 118,777	$ 113,460
Accounts payable to former affilliate	42,810	45,955
Total current liabilities	161,587	159,415
COMMITMENTS AND CONTINGENCIES		
SHAREHOLDERS' DEFICIT		
Preferred stock, $.01 par value; 500,000 shares authorized		
Preferred stock Series A Convertible $0.001 par value; 100,000 shares authorized, 3,102 shares issued and outstanding and no liquidation or redemption value	31	31
Preferred stock Series B Convertible $0.001 par value; 100,000 shares authorized, 68,890 shares issued and outstanding and no liquidation or redemption value	86	86
Common stock, par value $0.001; 500,000,000 shares authorized; 58,061,303 and 52,561,303 issued and outstanding	58,061	52,561
Additional paid-in capital	1,071,636	881,636
Retained deficit	(842,048)	(891,658)
Total shareholders' deficit	287,766	42,656
TOTAL LIABILITIES AND SHAREHOLDERS' DEFICIT	$ 449,353	$ 202,071

See accompanying Notes to Condensed Consolidated Financial Statements (unaudited).

APPTECH CORP. AND SUBSIDIARIES
(FKA NATURAL NUTRITION, INC.)
CONSOLIDATED STATEMENTS OF OPERATIONS

	Quarter ended March 31,	
	2010	2009
	(Unaudited)	(Unaudited)
REVENUE		
Sales revenue	$ -	$ 3,390,510
Trading (gains) losses	-	12,202
Dividends from marketable securities	1	1,292
Interest income from notes receivable	8,233	-
Total revenue	8,234	3,404,004
COST OF GOODS SOLD	-	2,952,948
GROSS PROFIT	8,234	451,056
OPERATING EXPENSES		
Salaries and benefits	64,608	393,822
Bad debt expense	-	(125,941)
Professional fees	19,776	61,575
Other expenses	43,928	308,208
Depreciation and amortization	599	185,786
	-	-
Total operating expenses	128,911	823,450
OPERATING LOSS	(120,677)	(372,394)
OTHER (INCOME) EXPENSE		
Interest and other income	-	(41,684)
Interest expense	-	465,226
Other income	(170,287)	(221)
Total other (income) expense	(170,287)	423,321
Income (Loss) before provision for income taxes and extraordinary item	49,610	(795,715)
INCOME TAX BENEFIT		
Current		-
Deferred	-	-
	-	-
NET INCOME (LOSS)	49,610	(795,715)
Net loss per share - basic and diluted	$ 0.00	$ (0.17)
Weighted shares outstanding:		
Basic	56,533,525	4,549,509
Diluted	123,701,275	4,549,509
OTHER COMPREHENSIVE INCOME		
NET INCOME (LOSS)	$ 49,610	$ (795,715)
Foreign currency translation income (expense) adjustment	-	(3,151)
COMPREHENSIVE INCOME (LOSS)	$ 49,610	$ (798,866)

See accompanying Notes to Condensed Consolidated Financial Statements (unaudited).

APPTECH CORP. AND SUBSIDIARIES

(FKA NATURAL NUTRITION, INC.)

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' DEFICIT

For the Period Ended March 31, 2010

	Series A Preferred		Series B Preferred		Common Stock		Additional Paid-in	Retained	Accumulated Comprehensive	
	Shares	Amount	Shares	Amount	Shares	Amount	Capital	Deficit	Income	Total
Balance, December 31, 2006	95,237	$ 952	-	$ -	15,148,329	$ 12,119	$ 203,309	$ (3,850,212)	$ -	$ (3,633,832)
Issuance of common stock:										
For services					1,784,090	1,427	14,273			15,700
To employees					7,083,334	5,667	62,367			68,034
Conversion of debentures					11,225,383	8,980	206,681			215,661
Conversion of preferred	(794)	(8)			1,955,253	1,564	10,444	-		12,000
Net loss	-	-			-	-	-	(14,661,254)		(14,661,254)
Foreign currency translation	-	-	-	-	-	-	-	-	1,279,455	1,279,455
Balance, December 31, 2007	94,443	944	-	-	37,196,389	29,757	497,074	(18,511,466)	1,279,455	(16,704,236)
Issuance of common stock:										
Conversion of debentures					34,131,163	34,132	239,905			274,037
Conversion of preferred	(74,800)	(748)	71,455	$ 72	3,261,375	3,011	(2,334)			1
For services					5,000,000	5,000	45,000			50,000
Stock split adjustment					18	7,689	(7,689)			-
Net income								351,553		351,553
Foreign currency translation	-	-	-	-	-	-	-	-	(2,885,490)	(2,885,490)
Balance, December 31, 2008	19,643	196	71,455	72	79,588,945	79,589	771,956	(18,159,913)	(1,606,035)	(18,914,135)
Issuance of common stock:										
Conversion of debentures					16,616,017	16,616	8,384			25,000
Conversion of preferred	(16,541)	(165)	(2,565)	14	2,500,875	2,501	(2,349)			1
Acquisition of AppTech Global, Inc.					45,000,000	45,000				45,000
For services					5,000,000	5,000	7,500			12,500
Accumulated deficit of tendered subsidiary								3,689,173		3,689,173
Reverse stock split adjustment					(96,144,534)	(96,145)	96,145			-
Net income								13,579,082		13,579,082
Foreign currency translation	-	-	-	-	-	-	-	-	1,606,035	1,606,035
Balance, December 31, 2009	3,102	$ 31	68,890	$ 86	52,561,303	$ 52,561	$ 881,636	$ (891,658)	$ -	$ 42,656
Issuance of common stock:										
Conversion of debentures										
Conversion of preferred										
For services					5,500,000	5,500	190,000			195,500
Net loss	-	-	-	-	-	-	-	49,610	-	49,610
Balance, March 31, 2010	3,102	$ 31	68,890	$ 86	58,061,303	$ 58,061	$ 1,071,636	$ (842,048)	$ -	$ 287,766

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

NATURAL NUTRITION, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Quarter Ended March 31, 2010	Quarter Ended March 31, 2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ 49,610	$ (798,867)
Adjustment to reconcile net income to net cash provided by (used in) operating activities	(58,396)	(179,166)
Net cash used in operating activities	(8,786)	(978,033)
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of assets	-	-
Purchase of assets	(1,036)	-
Net cash provided by (used in) investing activities	(1,036)	-
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of convertible note, net	-	-
Payments on capital lease obligations	-	-
Net cash used in financing activities	-	-
EFFECT OF EXCHANGE RATE CHANGE ON CASH	-	176,015
NET CHANGE IN CASH	(9,822)	(802,018)
CASH, BEGINNING OF PERIOD	26,238	1,097,478
CASH, END OF PERIOD	$ 16,416	$ 295,460
SUPPLEMENTAL INFORMATION		
Interest paid	$ -	$ 298,140
Taxes paid	$ -	$ -
Conversion of debentures and preferred stock:		
Convertible debt	$ -	$ (25,000)
Preferred stock	$ -	$ -
Common stock	$ -	$ 16,616
Paid in capital	$ -	$ 8,384

See accompanying Notes to Condensed Consolidated Financial Statements (unaudited).

NOTE 1 - BASIS OF PRESENTATION

Our Condensed Consolidated Balance Sheet as of March 31, 2010 and December 31, 2009, the Condensed Consolidated Statements of Operations for the three months ended March 31, 2010 and 2009, and the Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2010 and 2009 have not been audited. These statements have been prepared on a basis that is substantially consistent with the accounting principles applied in our Annual Report on Form 10-KSB for the fiscal year ended December 31, 2007 except that t**he consolidated financial statements included herein have not been prepared in accordance with Generally Accepted Accounting Principles due to the fact that an evaluation of derivatives was not been performed at December 31, 2008 or subsequently in accordance with SFAS 133 and EITF No. 00-19, "Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock."**

In our opinion, these financial statements include all normal and recurring adjustments necessary for a fair presentation of AppTech Corp. (the “Company”) and Subsidiaries.

As used herein, the “Company”, “management”, “we” and “our” refers to AppTech Corp., or AppTech Corp. together with its subsidiaries. The Company's fiscal year ends on December 31st.

The unaudited Condensed Consolidated Financial Statements and the notes thereto in this report should be read in conjunction with the audited Consolidated Financial Statements and notes thereto included in our Annual Report on Form 10-KSB for the fiscal year ended December 31, 2007 (the “10-KSB”).

Natural Nutrition, Inc. (the “Company” nka AppTech Corp.) was incorporated in Florida on July 2, 1998. On August 25, 2005, the Company completed the closing of that certain Share Exchange Agreement, by and between the Company, CSI Business Finance, Inc., a Texas corporation and now wholly-owned subsidiary of the Company herein referred to as ("CSI-BF") and the shareholder of CSI-BF (the "CSI-BF Shareholder"). In September of 2006, CSI Business Finance, Inc. changed its name to Natural Nutrition, Inc. and simultaneously redomiciled from Florida to Nevada.

On August 25, 2005, the Company effectively exchanged with the CSI-BF Shareholder the issued and outstanding common stock of CSI in exchange for 100,000 shares of Series A Convertible Preferred Stock, par value $0.01 per share, of the Company, and CSI-BF became a wholly-owned subsidiary of the Company. Each share of the Company's Series A Preferred Stock is convertible into 780 shares of common stock of the Company, beginning one year after the effective date of the merger. The Preferred shares were subsequently distributed to the shareholders of Corporate Strategies, Inc., the former shareholder of CSI-BF. In addition, at the exchange date, 5,408,576 shares of common stock of the Company were issued to pay off notes and debentures. If the preferred shareholders were to convert to common stock as of the date of the merger, they would hold 97,500,000 shares, or ninety-two and one half percent (92.5%) of the issued and outstanding shares of common stock of the Company. This conversion would result in the Series A Convertible Preferred shareholders effectively controlling the Company.

The Series A and Series B Convertible Preferred shareholders and the holders of the common stock of the Company vote together and not as separate classes, and the Preferred Stock shall be counted on an "as converted" basis, thereby giving the Preferred shareholders control of the Company. The transaction was accounted for as a reverse acquisition since control of the Company passed to the shareholders of the acquired company (CSI-BF).

On January 29, 2008, our Board of Directors approved a 5 for 4 forward common stock split. All references to our common stock in this document are stated in shares after the forward stock split. Our Board of Directors had previously approved a 1 for 25 reverse common stock split on May 23, 2006.

On November 19, 2009, our Board of Directors approved a 1 for 20 reverse common stock split. All references to our common stock in this document are stated in shares after the reverse stock split.

As discussed in Note 3 below, the Company conveyed all of its nutrition related assets as of June 30, 2009 to Cornell capital, NKA Yorkville Advisors (YA) in return for a complete release of all indebtedness owed by the Company to YA. Our management will concentrate its efforts on generating cash and revenue from financing and investing activities through its wholly-owned operating subsidiary, CSI Business Finance, Inc., and collecting the remaining notes receivable from CSI-BF’s operations.

On October 16, 2009, the Company entered into a purchase agreement to acquire all of the outstanding stock of AppTech Global, Inc. AppTech Global, Inc. is a company whose primary business is developing and distributing mobile phone applications for "smart phones" such as the Apple iPhone, BlackBerry and the new Google Android in international markets such as Brazil, India, China and Japan. As part of the acquisition of AppTech Global, Inc., the former officers and directors of Natural Nutrition, Inc. have resigned their position and have been replaced by the board of directors and officers of AppTech Global, Inc. The Articles of Incorporation of the Company were amended on October 27, 2009, with an effective date of November 16, 2009 (subject to regulatory approval), to change the name of Natural Nutrition, Inc. to AppTech Corp, effect a 1 for 20 reverse stock split, and change its authorized capital to a total of 500,500,000 shares, of which 500,000,000 shall be Common Shares, $0.001 per share, and 500,000 of which shall be Preferred Shares, $0.001 per share.

A "Trigger Event," as defined in the 8K "Settlement Agreement" filed by the Company July 23, 2009, has been asserted by, Xentennial Holdings, Limited, successor in interest to YA Global Investments, LP, the Company's former lender. The Company and its legal counsel dispute the assertion that one or more "Trigger Events" have occurred. However, in accordance with Paragraph 3.4 of the Purchase Agreement, the Sellers of AppTech Global, Inc., the Company's recently acquired wholly owned subsidiary, now have the right to demand rescission of the transaction whereby the company acquired AppTech Global, Inc. A rescission demand has not been made by Sellers as of this date.

The accompanying condensed consolidated financial statements for prior years contain certain reclassifications to conform with the current year presentation. The unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All significant inter-company accounts and transactions have been eliminated in consolidation.

NOTE 2. INCOME (LOSS) PER COMMON SHARE

Net Income (Loss) Per Common Share

In accordance with SFAS No. 128, "Earnings per Share", basic earnings per share are computed based on the weighted average shares of common stock outstanding during the periods. Diluted earnings per share are computed based on the weighted average shares of common stock plus the assumed issuance of common stock for all potentially dilutive securities.

Basic and diluted earnings per share calculations are included below:

	Three Months Ended March 31, 2010	Three Months Ended March 31, 2009
Net income (loss)	$ 49,610	$ (795,715)
Basic weighted average shares	56,533,525	90,990,176
Effect of dilutive securities:		
Preferred stock	67,167,750	88,820,550
Convertible note and debenture	-	9,450,000
Diluted weighted average shares	123,701,275	189,260,726
Income (loss) per share:		
Basic:	$ 0.00	$ (0.01)
Diluted:	$ 0.00	$ (0.01)

NOTE 3 – PURCHASE OF THE SENIOR DEBT OF INTERACTIVE NUTRITION INTERNATIONAL, INC.

On July 16, 2009, with and effective date of June 30, 2009, the Company entered into an agreement with Cornell capital, NKA Yorkville Advisors (YA) to convey all of its nutrition related assets in return for a complete release of all indebtedness owed by the Company to YA. The total indebtedness released was $27.37 million. The Company also conveyed all nutrition related trademarks and intellectual property, including the Natural Nutrition and iNutrition names and trademarks. Both parties to the transaction executed mutual releases as part of the settlement. The Company retained assets and receivables related to its CSI-BF subsidiary (FKA iNutrition, Inc.) and will continue the operations of that subsidiary.

Effective May 31, 2007, the Company closed on a purchase agreement (the "Purchase Agreement") with Nesracorp. Inc., a company organized under the laws of Canada (the "Vendor") pursuant to which the Company purchased from the Vendor, and the Vendor sold, assigned transferred and conveyed to the Company, all of Vendor's right, title, benefit and interest in (a) all of the then outstanding principal and interest accrued thereon (the "Indebtedness") owed to the Vendor by Interactive Nutrition International, Inc. ("INII"), a company organized under the laws of Canada and a wholly-owned subsidiary of the Company, under a promissory note in the original principal amount of Fifteen Million Canadian Dollars (Cdn$15,000,000) issued (in part) by INII to the Vendor on March 31, 2004 (the "Subsidiary Note") and (b) a general security agreement, of even date with the Subsidiary Note, and a share pledge agreement, of even date with the Subsidiary Note, both granted concurrently by INII and its shareholder, the Company (as successor in interest to the now defunct Bio One Corporation) in connection with the Indebtedness (together, both instruments are hereinafter referred to as the "Security") for a purchase price equal to (i) Seven Million Six Hundred Fifty Thousand Canadian Dollars (Cdn$7,650,000) and (ii) the execution by the Company of that certain Mutual Release. The Company and the Vendor entered into an Assignment and Conveyance ("Assignment"), of even date with the Purchase Agreement, in order to properly effectuate the assignment by the Vendor to the Company of all of the right, title, benefit and interest in and to the Purchased Assets (as defined therein), which such Purchased Assets include, without limitation, the Indebtedness, the Security and all loan, security and other documentation relating to the Indebtedness and the Security purchased under the Purchase Agreement. The Company and the Vendor executed the Purchase Agreement, the Mutual Release and the Assignment on May 25, 2007; however they closed the transactions upon the execution of the SPA (as defined and discussed herein below) on May 31, 2007.

On May 31, 2007, the Company entered into a securities purchase agreement (the "SPA") with YA Global Investments, L.P. (f/k/a Cornell Capital Partners, LP and herein referred to as the "Investor") pursuant to which the Company sold to the Investor, and the Investor purchased from the Company, a secured convertible promissory note (the "Note") in the principal amount of Nine Million Two Hundred Ninety-Two Thousand Eight Hundred Ninety-Four United States Dollars (US$9,292,894), the proceeds of which shall be used by the Company to finance the consideration paid by the Company to the Vendor in connection with the Purchase Agreement and Assignment (as discussed herein above) and for other general corporate purposes.

The Note shall accrue interest at a rate equal to twelve percent (12%) per annum, except that from and after the occurrence and during the continuance of an Event of Default (as defined in the Note), the interest rate shall be increased to eighteen percent (18%). The Note shall mature, unless extended by the holder, upon the earlier of (i) June 1, 2012, (ii) the consummation of a Change of Control (as defined in the Note) and (iii) the occurrence of an Event of Default or any event that with the passage of time and the failure to cure would result in an Event of Default. The Company may prepay the Note at any time upon not less than thirty (30) days prior written notice to the holder; provided, that any such prepayments shall applied first to unpaid late charges on principal and interest, if any, then to unpaid interest and then unpaid principal thereon. Furthermore, the Note shall be convertible into fully paid and nonassessable shares of the Company's common stock, at the holder's discretion, at a conversion rate to be determined by dividing the amount to be converted by the lesser of (x) $0.04, subject to adjustment as provided herein and (y) eighty percent (80%) of the lowest daily weighted average price of the Company's common stock during the five (5) trading days immediately preceding the conversion date. The Company shall not effect any conversion, and the holder of shall not have the right to convert any portion of the Note to the extent that after giving effect to such conversion, the holder (together with the holder's affiliates) would beneficially own in excess of 4.99% of the number of shares of Common Stock outstanding immediately after giving effect to such conversion.

All payments due under the Note shall be senior to all other Indebtedness (as defined in the Note) of the Company and its subsidiaries other than certain Permitted Indebtedness (as defined in the Note). So long as the Note is outstanding, the Company shall not, and the Company shall not permit any of its subsidiaries to, directly or indirectly (a) incur or guarantee, assume or suffer to exist any Indebtedness, other than (i) the Indebtedness evidenced by the Note and the Subsidiary Note and (ii) other Permitted Indebtedness, (b) allow or suffer to exist any mortgage, lien, pledge, charge, security interest or other encumbrance upon or in any property or assets (including accounts and contract rights) owned by the Company or any of its subsidiaries other than certain permitted liens, (c) redeem, defease, repurchase, repay or make any payments in respect of, by the payment of cash or cash equivalents (in whole or in part, whether by way of open market purchases, tender offers, private transactions or otherwise), all or any portion of any Permitted Indebtedness, whether by way of payment in respect of principal of (or premium, if any) or interest on, such Indebtedness if at the time such payment is due or is otherwise made or, after giving effect to such payment: (i) an event constituting an Event of Default has occurred and is continuing; or (ii) an event that with the passage of time and without being cured would constitute an Event of Default has occurred and is continuing; or (iii) make any payments to Turnaround Partners, Inc. ("TAP"), Corporate Strategies, Inc. ("CSI") or any of their members, partners, employees, stockholders, or any of their respective affiliates, except (1) with the prior consent of the holder, (2) pursuant to either the Zeidman Agreement (as defined herein below) or that certain Connolly Agreement (as defined herein below), (3) reasonable rent and overhead charges allocable to the Company in respect of shared space with CSI, (4) so long as Mr. Timothy J. Connolly ("Mr. Connolly") is serving as CEO of the Company, the reimbursement to Mr. Connolly for all direct expenses incurred by Mr. Connolly in connection with such service and (5) payments by CSI-BF to Mr. Connolly for compensation payable to Mr. Connolly solely out of cash generated from CSI-BF's operations.

Until the Note has been converted, redeemed or otherwise satisfied in full in accordance with its terms, the Company shall not, directly or indirectly, redeem, repurchase, or declare or pay any cash dividend or distribution on, its capital stock without the prior express written consent of the holder or, dissolve, liquidate, consolidate with or into another person, or dispose of or otherwise transfer (whether in one transaction or in a series of transactions) all or substantially all of its assets (whether now owned or hereafter acquired) to or in favor of any person or acquire any assets or business or any interest in any person or entity in excess of One Hundred Thousand United States Dollars (US$100,000), except for purchases of inventory, raw materials and equipment in the ordinary course of business.

In connection with the SPA, the Company also issued to the Investor warrants to purchase, in Investor's sole discretion, Seventy-Eight Million One Hundred Thirty-Five Thousand Two Hundred Twenty-Four (78,135,224) shares of common stock at a price of $0.008 per share (the "Warrant"). So long as the Company is in default under any of the Transaction Documents (as defined in the SPA) or the shares underlying the Warrant are not subject to an effective registration statement, the holder may, in its sole discretion during such time, exercise the Warrant in whole or in part and, in lieu of making the cash payment otherwise contemplated to be made to the Company upon such exercise in payment of the Aggregate Exercise Price (as defined in the Warrant), elect instead to receive upon such exercise the net number of shares of Common Stock determined according to a specified formula set forth in the Warrant. The Company shall not effect the exercise of the Warrant, and the holder shall not have the right to exercise the Warrant, to the extent that after giving effect to such exercise, such person (together with such person's affiliates) would beneficially own in excess of 4.99% of the shares of Common Stock outstanding immediately after giving effect to such exercise.

Contemporaneously with the execution and delivery of the SPA, the Company and the Investor executed and delivered a registration rights agreement (the "RRA") pursuant to which the Company shall provide certain registration rights to Investor with respect to the Registrable Securities (as defined in the RRA) under the Securities Act of 1933, as amended and the rules and regulations promulgated thereunder, and applicable state securities laws. Specifically, if the Company shall receive at any time and from time to time after the aggregate principal amount of the Note is below One Million Five Hundred Thousand United States Dollars (US$1,500,000) in whatever form, including without limitation, the reduction of the outstanding balance by conversions by the Investor into shares of Common Stock or cash payments by the Company, a written request from the holders of at least fifty percent (50%) of the Registrable Securities then outstanding, that the Company file with the SEC a registration statement covering the resale of the Registrable Securities, then the Company shall, within thirty (30) days of the receipt thereof, provide written notice of such request to all other holders of Registrable Securities, if any, and file with the SEC such registration statement, as soon as practicable, following receipt of the registration request. The registration statement shall register for resale at least thirty-three percent (33%) of the Company's market capitalization based on the Company's shares of Common Stock issued and outstanding and market price of the Company's shares of Common Stock at the time of the registration request less any shares of Common Stock held by affiliates of the Company, or such greater amount as the Company in good faith believes the SEC may permit to be registered. The Company shall use its best efforts to have the registration statement declared effective by the SEC no later than such date as follows: (i) in the event that the registration statement is not subject to a review by the

SEC, sixty (60) calendar days after the date of the registration request or (ii) in the event that the registration statement is subject to a review by the SEC, one hundred twenty (120) calendar days after the date of the registration request.

In connection with the SPA, the Company and the Investor also entered into an amended and restated security agreement, of even date with the SPA (the "2007 Security Agreement"), pursuant to which the Company amended and restated that certain Security Agreement, dated September 9, 2005 (the "2005 Security Agreement"), to secure within the definition of "Obligations" as previously defined under the 2005 Security Agreement, those obligations of the Company under the SPA, the Note and the Transaction Documents (as defined in the SPA). The Company and the Investor also entered into a securities pledge agreement, of even date with the SPA (the "2007 Pledge Agreement"), in order for the Company to pledge that certain Pledged Property (as defined therein), which includes the Subsidiary Note, to secure its obligations under the SPA, the Note and the Transaction Documents (as defined in the SPA).

In connection with the SPA, the Company, the Investor and Mr. Timothy J. Connolly, acting on behalf of CSI, entered into an agreement, of even date with the SPA (the "Connolly Agreement"), pursuant to which the Company granted to Mr. Connolly, on behalf of CSI, shares representing ten percent (10%) of the common stock of INII (the "INII Stock") outstanding as of the date of the Agreement as compensation for management services performed by CSI to the Company. Such grant vested and the INII Stock has been deemed fully earned as of the date of the Agreement. As a condition to this grant, Mr. Connolly entered into a lock-up agreement and a securities pledge agreement with the Investor, whereby Mr. Connolly pledged the INII Stock as collateral to secure all obligations owed by the Company to the Investor. Effective as of December 31, 2007, the Company entered into a Purchase Agreement with Corporate Strategies, Inc. (Seller) and CSI Business Finance, Inc. pursuant to which the Seller conveyed, transferred and assigned to the Company all of its title to and rights in Seller's ten percent (10%) interest in the total issued and outstanding capital stock of INII in exchange for the conveyance, transfer and assignment to the Seller by the CSI Business Finance, Inc. and the Company of certain Notes held by CSI Business Finance, Inc. and the Company plus a cash payment equal to One Hundred Ninety-Eight Thousand Eight Hundred Ninety-Nine Dollars and Ten Cents ($198,899.10). In addition, the Company assumed payment for all of the Seller's office lease, equipment payments and any other payments related to the office space at 109 N. Post Oak Lane, Suite 422, Houston, Texas 77024 for the remainder of the lease term and any renewals.

In connection with the SPA, the Company entered into a five (5) year employment agreement with Mr. Fred Zeidman pursuant to which Mr. Zeidman shall serve as a non-executive Chairman of the Board (the "Zeidman Agreement"). In consideration for his services, Mr. Zeidman shall receive, as compensation for all services rendered by Mr. Zeidman in performance of his duties or obligations under the Zeidman Agreement, a monthly base salary of Twelve Thousand Five Hundred United States Dollars (US$12,500). In addition to a base salary, Mr. Zeidman shall also have the right to receive an incentive fee equal to up to ten percent (10%) of the Net Proceeds (as defined therein) of the Sale (as defined therein) of INII. This bonus shall incrementally vest twenty percent (20%) per year on the anniversary date of the Zeidman Agreement, so long as (A) Mr. Zeidman's employment with the Company has not terminated as of the applicable vesting date and (B) the actual financial results of INII for the twelve (12) month period prior to the applicable vesting date are not less than ninety percent (90%) of the pro forma EBITDA results of INII attached to the Zeidman Agreement as Exhibit A; provided that upon a Sale prior to the fifth (5th) anniversary of the commencement date, so long as Mr. Zeidman's employment has not terminated prior to such Sale, then the remaining part of the bonus shall vest upon the consummation of such Sale. Mr. Zeidman is also entitled to be reimbursed by the Company for all reasonable and necessary expenses incurred by Mr. Zeidman in carrying out his duties under the Zeidman Agreement in accordance with the Company's standard policies regarding such reimbursements. Mr. Zeidman is also entitled during the term of the Zeidman Agreement, upon satisfaction of all eligibility requirements, if any, to participate in all health, dental, disability, life insurance and other benefit programs now or hereafter established by the Company which cover substantially all other of the Company's employees and shall receive such other benefits as may be approved from time to time by the Company.

NOTE 4 - CONVERTIBLE DEBENTURES AND NOTES PAYABLE AND DERIVATIVE FINANCIAL INSTRUMENTS

As disclosed in Note 3 above, on July 16, 2009, with and effective date of June 30, 2009, the Company entered into an agreement with Cornell capital, NKA Yorkville Advisors (YA) to convey all of its nutrition related assets in return for a complete release of all indebtedness owed by the Company to YA. The total indebtedness released was $27.37 million. The Company also conveyed all nutrition related trademarks and intellectual property, including the Natural Nutrition and iNutrition names and trademarks. Both parties to the transaction executed mutual releases as part of the settlement.

Effective September 9, 2005, the Company issued a secured convertible debenture (the "Debenture") to the Investor in the amount of $15,635,199. Effective May 31, 2007, the convertible debenture was renegotiated and the due date was extended until June 1, 2012 and the fixed conversion price was reset. All other terms and conditions remained the same. The notes bear interest at 5%, which is accrued until maturity on June 1, 2012. The note is convertible, at the option of the holders, into common stock of the Company at a price of $0.0096 per share, subject to standard anti-dilution provisions relating to splits, reverse splits and other transactions plus a reset provision whereby the conversion prices may be adjusted downward to a lower price per share based on the average of the three lowest closing prices for the five trading days prior to conversion. The Holder has the right to cause the notes to be converted into common stock, subject to an ownership limitation of 4.99% of the outstanding stock. The Company has the right to repurchase the Notes at 106% of the face amount.

On May 31, 2007, the Company entered into a securities purchase agreement (the "SPA") with the Investor pursuant to which the Company sold to the Investor, and the Investor purchased from the Company, a secured convertible promissory note (the "Note") in the principal amount of Nine Million Two Hundred Ninety-Two Thousand Eight Hundred Ninety-Four United States Dollars (US$9,292,894), the proceeds of which shall be used by the Company to finance the consideration paid by the Company to the Vendor in connection with the Purchase Agreement and Assignment (as discussed herein above) and for other general corporate purposes.

The Note shall accrue interest at a rate equal to twelve percent (12%) per annum, except that from and after the occurrence and during the continuance of an Event of Default (as defined in the Note), the interest rate shall be increased to eighteen percent (18%). The Note shall mature, unless extended by the holder, upon the earlier of (i) June 1, 2012, (ii) the consummation of a Change of Control (as defined in the Note) and (iii) the occurrence of an Event of Default or any event that with the passage of time and the failure to cure would result in an Event of Default. The Company may prepay the Note at any time upon not less than thirty (30) days prior written notice to the holder; provided, that any such prepayments shall applied first to unpaid late charges on principal and interest, if any, then to unpaid interest and then unpaid principal thereon. Furthermore, the Note shall be convertible into fully paid and nonassessable shares of the Company's common stock, at the holder's discretion, at a conversion rate to be determined by dividing the amount to be converted by the lesser of (x) $0.04, subject to adjustment as provided herein and (y) eighty percent (80%) of the lowest daily weighted average price of the Company's common stock during the five (5) trading days immediately preceding the conversion date. The Company shall not effect any conversion, and the holder of shall not have the right to convert any portion of the Note to the extent that after giving effect to such conversion, the holder (together with the holder's affiliates) would beneficially own in excess of 4.99% of the number of shares of Common Stock outstanding immediately after giving effect to such conversion.

The consolidated financial statements included herein have not been prepared in accordance with Generally Accepted Accounting Principles due to the fact that an evaluation of derivatives has not been performed as of December 31, 2008 or subsequently in accordance with SFAS 133 and EITF No. 00-19, "Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock."

The Company has determined that the following instruments have derivatives requiring evaluation and accounting under the relevant guidance applicable to financial derivatives:

Cornell Debenture Payable issued 9/9/05 in the face amount of $15,635,199
Cornell Note Payable issued 5/31/07 in the face amount of $9,292,894

The Company has identified that the above debenture and note have embedded derivatives. These embedded derivatives have been bifurcated from their respective host debt contracts and accounted for as derivative liabilities in accordance with EITF 00-19. When multiple derivatives exist within the Convertible Debentures, they have been bundled together as a single hybrid compound instrument in accordance with SFAS No. 133 Derivatives Implementation Group Implementation Issue No. B-15, "Embedded Derivatives: Separate Accounting for Multiple Derivative Features Embedded in a Single Hybrid Instrument."

The embedded derivatives within the Convertible Debenture and Note have been recorded at fair value at the date of issuance; and are marked-to-market each reporting period with changes in fair value recorded to the Company's income statement as "Net change in fair value of derivatives." The Company has utilized a third party valuation firm to fair value the embedded derivatives using a layered discounted probability-weighted cash flow approach. The fair value model utilized to value the various embedded derivatives in the Convertible Debenture and Note, comprises multiple probability-weighted scenarios under various assumptions reflecting the economics of the Convertible Debenture, such as the risk-free interest rate, expected Issuer stock price and volatility, likelihood of conversion and or redemption, and likelihood default status.

The fair value of the derivative liabilities are subject to the changes in the trading value of the Company's common stock, as well as other factors. As a result, the Company's financial statements may fluctuate from quarter-to-quarter based on factors, such as the price of the Company's stock at the balance sheet date and the amount of shares converted by the debenture holders. Consequently, our financial position and results of operations may vary from quarter-to-quarter based on conditions other than our operating revenues and expenses.

The conversion feature, reset provision and the Company’s optional early redemption right to the debenture payable have been bundled together as a single compound embedded derivative liability, and using a layered discounted probability-weighted cash flow approach, was initially fair valued at $413,603 at September 9, 2005. As of May 31, 2007, the maturity date of the Investor debenture dated September 9, 2005 was extended to June 1, 2012 and the fixed conversion price was reset to $0.0096. This modification of the debt was tested under EITF 96-19, Debtors Accounting for a Modification or Exchange of Debt Instruments and EITF 06-06, Debtors Accounting for a Modification (or Exchange) of Convertible Debt Instruments to determine if an extinguishment had occurred. The Company’s third party valuation firm determined that the debt was not extinguished, so no gain or loss was recorded. The compound embedded derivative was valued at $3,583,192 at September 30, 2008 using the same methodology. For the period since December 31, 2007 through September 30, 2008, the change in fair value of the derivative liability was a decrease of $1,160,186, which has been classified as net change in fair value of derivative.

The above compound embedded derivative plus the loan costs paid the lender in the amount of $687,832 are recorded as a discount against the notional carrying amount of the debenture payable. The unamortized discount is being amortized over the term of the note using the effective interest method. Recorded in interest expense for this amortization is $25,840 at September 30, 2008 and $169,955 at September 30, 2007.

The conversion feature, reset provision and the Company’s optional early redemption right to the note payable have been bundled together as a single compound embedded derivative liability, and using a layered discounted probability-weighted cash flow approach, was initially fair valued at $554,080 at May 31, 2007. Using the same methodology, the single compound embedded derivative liability was valued at $1,540,064 at September 30, 2008. For the period since December 31, 2007 through September 30, 2008, the change in fair value of the derivative liability was a decrease of $2,770,894, which has been classified as net change in fair value of derivative.

In addition to the above, the Company issued warrants that resulted in a warrant derivative liability. This warrant derivative liability using the Black-Sholes Option Pricing Model was initially fair valued at $626,790 at May 31, 2007. Using the same methodology, the warrant derivative liability was valued at $682,698 at September 30, 2008. For the period since December 31, 2007 through September 30, 2008, the change in fair value of the derivative liability was a decrease of $2,447,742, which has been classified as net change in fair value of derivative. The significant assumptions for the Black-Sholes Option Pricing Model at September 30, 2008 was the current stock price, 0% dividend yield, a risk free interest rate of 3.38% and a 250% volatility.

The above compound embedded derivative plus the warrant derivative plus the loan costs paid the lender in the amount of $1,004,289 are recorded as a discount against the notional carrying amount of the note payable. The unamortized discount is being amortized over the term of the note using the effective interest method. Recorded in interest expense for this amortization is $323,152 at September 30, 2008 and $141,913 at September 30, 2007.

The significant assumptions for the Company’s debenture and note utilized in valuing the embedded derivatives as of September 30, 2008:

- The stock price would increase at the cost of equity with a short-term volatility of 240%
- Registration default would occur only 5% of the time
- Other forms of default would occur 5% of the time, increasing .3% per quarter
- Alternative financing would be available starting at 0%, increasing 5% per quarter to a maximum of 20%
- Common Shares outstanding would increase 5% per quarter
- Exercise pricing reset events would occur 5% of the time with an adjustment factor to the warrant exercise price of 0.9989
- Quarterly conversions of the debentures would be limited to the lesser of 4.99% of the outstanding stock or 25% of the average 22-day trading volume.

NOTE 5 – COMMON AND PREFERRED STOCK

During the first three months of this year, we have issued 5,500,000 new shares of common stock for services rendered. On November 19, 2009, our Board of Directors approved a 1 for 20 reverse common stock split. All references to our common stock in this document are stated in shares after the reverse stock split.

In May 2007 the Company granted the three largest shareholders (including the former CEO) super voting rights in consideration for the former CEO entering into a Lockup Agreement for so long as he continued to serve as CEO, preventing him from selling shares of the Company until all amounts owed to the Investor have been fully paid. The Board of Directors approved the designation of Series B convertible preferred stock, par value $.001, to be issued to the three largest shareholders that have substantially the same powers and other special rights as the Series A preferred stock except that such new shares shall include super voting rights. Each share of the Series B convertible preferred stock is convertible into 975 shares of common stock. The holders of Series B preferred stock and the holders of common stock shall vote together, not as separate classes, and the Series B preferred stock shall be counted on an "as converted" basis multiplied by One Hundred (100). The transactions converting the Series A preferred stock to Series B preferred stock was completed during the quarter ended September 30, 2008.

NOTE 6 – SUBSEQUENT EVENT

A "Trigger Event," as defined in the 8K "Settlement Agreement" filed by the Company July 23, 2009, has been asserted by, Xentennial Holdings, Limited, successor in interest to YA Global Investments, LP, the Company's former lender. The Company and its legal counsel dispute the assertion that one or more "Trigger Events" have occurred. However, in accordance with Paragraph 3.4 of the Purchase Agreement, the Sellers of AppTech Global, Inc., the Company's recently acquired wholly owned subsidiary, now have the right to demand rescission of the transaction whereby the company acquired AppTech Global, Inc. A rescission demand has not been made by Sellers as of this date. As a result of the "Trigger Event" assertion, the Company has appointed a new Director to the Board of Directors. The former sole Director and CEO, along with the parent company Secretary, intend to resign from the parent company. These individuals will remain officers and directors of the wholly-owned subsidiary, AppTech Global, Inc., pending a final decision on the possible rescission of the transaction.