FAVORED, INC.

COMPANY INFORMATION AND DISCLOSURE STATEMENT QUARTERLY REPORT

As of September 30, 2017

Trading Symbol: FVRD

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

Favored, Inc. (Formerly Urbanalien Corp. until 7-2006)

2) Address of the issuer's principal executive offices

Company Headquarters
350 Lincoln Road
Miami, Florida 33139

Phone: (800) 214-3109
Email: info@favoredinc.com
Website: www.favoredinc.com

3) Security Information

Trading Symbol: FVRD
Exact title and class of securities outstanding: **Common**
CUSIP: 31208P 10 9
Par or Stated Value: $.0001
Total shares authorized: 3,000,000,000 as of: September 30, 2017 Total shares outstanding: 797,234,934 as of: September 30, 2017 As of September 30, 2017 we have 126 shareholders

Additional class of securities:

Exact title and class of securities outstanding: **Series A Preferred**
Par or Stated Value: $.0001

Total shares authorized: 5,000,000 as of: September 30, 2017
Total shares outstanding 200,000 as of: September 30, 2017

Transfer Agent
Transfer Online, Inc.
512 SE Salmon St, Portland, OR 97214
Phone: (503) 227-2950

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

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

List any restrictions on the transfer of security:

None

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

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

Nevada Custodianship and Reinstatement of Corporate Charter

On December 22, 2015, a lawsuit was filed against Favored, Inc. in the District Court of Clark County, Nevada, entitled "In the Matter of Favored, Inc." under case number A729331 by a Shareholder, Barton Hollow, LLC, along with an Application for Appointment of Custodian, after several attempts to locate prior management and reinstate the Company's Nevada charter, which had been revoked.

A Summons was served on the Company's last Resident of Agent of record on January 21, 2016, but the Resident Agent was unable to locate prior management of the Company, and on February 25, 2016 a hearing was held for the appointment of a Custodian.

On March 10, 2016, the District Court of Clark County, Nevada entered an Order Granting Application for Appointment of Barton Hollow, LLC as Custodian of Favored, Inc. Barton Hollow, LLC (the "Custodian") is an entity controlled by securities attorney Adam S. Tracy, its Managing Member.

On March 10, 2016, Adam S. Tracy was appointed to the Board of Directors and as Chief Executive Officer of Favored, Inc. and the Company adopted Amended and Restated Bylaws.

On April 27, 2016, the Custodian appointed a new Resident Agent in Nevada and filed Amended and Restated Articles of Incorporation, a Certificate of Amendment by Custodian, and a Certificate of Reinstatement, which reinstated the Company's charter.

On May 10, 2016, a Certificate of Amendment was filed in Nevada by the Custodian, which increased the Company's authorized shares of common stock to 3,000,000,000 at a par value of $0.0001.

On July 21, 2016, the Custodian filed with the District Court of Clark County, Nevada a Report of Barton Hollow, LLC as Court Appointed Custodian of Favored, Inc., which stated that it had fully executed its duties charged pursuant to the Order, which had appointed it as Custodian.

Reverse Merger and Change in Control

On April 19, 2016, the Company entered into an Agreement of Merger with Empire Mobile Studios, Inc., ("Empire") a Delaware corporation that was formed in 2015. Empire's focus is on the development, acquisition, and marketing of digital assets with a specific focus on mobile and web applications. Under the terms of the Merger, Craig Coaches, CEO of Empire received 300,000,000 restricted shares of the Company's common stock, representing majority control of Favored, Inc. In exchange, the Company received 100% ownership of Empire's capital stock, making Empire our wholly owned subsidiary. Mr. Coaches was issued an employment agreement with a salary of $150,000 per annum to be accrued until such time as sufficient cash flow is available to compensate him.

On April 19, 2016, the Company entered into an Agreement of Merger with Kryptos Communications, Inc., ("Kryptos") a Florida corporation that was formed in 2010. Kryptos's focus is to develop and provide customers with a Secure Voice Over IP application. The product provides encrypted VoIP connectivity for secure calls over several platforms, including iPhone, Blackberry and Android equipped phones. It will work over 3G, 4G and LTE networks, as well as through Wi-Fi. Under the terms of the Merger, Stephen Carnes, CEO of Kryptos received 5,000,000 restricted shares of the Company's common stock and immediately resigned from the company. In exchange, the Company received 100% ownership of Kryptos's capital stock, making Kryptos our wholly owned subsidiary.

On July 31, 2016, Craig Coaches was appointed President, Secretary and Treasurer of the Company, and Adam S. Tracy resigned from all Officer and Director Positions with Favored, Inc.

On August 2, 2016, Craig Coaches was issued 300,000,000 shares of the Company's common stock as consideration for the Merger with Empire Studios, Inc.

On August 23, 2016, a new Officer List was filed with the State of Nevada, confirming Craig Coaches as the sole Officer and Director of Favored, Inc. additionally, he was issued 200,000 Preferred shares as consideration for his appointment.

On September 27, 2016, Stephen Carnes was issued 5,000,000 shares of the Company's common stock as consideration for the Merger with Kryptos Communications, Inc.

4) Issuance History

On August 2, 2016, Craig Coaches was issued 300,000,000 shares of the Company's common stock as consideration for the Merger with Empire Studios, Inc.

On August 23, 2016 Craig Coaches was issued 200,000 shares of the Company's preferred stock as consideration for his appointment to the Board as sole director.

On September 27, 2016, Stephen Carnes was issued 5,000,000 shares of the Company's common stock as consideration for the Merger with Kryptos Communications, Inc.

On November 2, 2016, one of the company's creditors, Stephen Carnes, filed an action in the Circuit Court of Baltimore County Court seeking repayment on $16,144.80 in unpaid liabilities (Case No. 03-C-16-011092). On November 17, 2016, the parties to the action reached a settlement in which the Company agreed to issue 50,000,000 shares of common stock in exchange for relief of $11,115 of the liabilities. On November 22, 2016, the judge signed an order under Section 3(a) 10 of the Securities act approving the Settlement Agreement.

On May 25, 2017 a debenture for $5,000 was converted to 50,000,000 shares of the Company's common stock at par value.

On June 29, 2017 a debenture for $6,500 was converted to 65,000,000 shares of the Company's common stock at par value.

On August 22, 2017, a debenture for $7,000 was converted to 70,000,000 shares of the Company's common stock at par value and issued to Stephen Carnes.

5) Financial Statements (see attached)

The Quarterly Reports for September 30, 2017 and September 30, 2016 are incorporated by reference and are posted to OTCIQ. The Financial Statements contain the consolidated financials of the Company, and its subsidiaries, Empire Mobile Studios, Inc. and Krypto's Communications, Inc.

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. Description of the issuer's business operations;

Favored, Inc. operates through two wholly owned subsidiaries, Empire Mobile Studios, Inc. and Krypto's Communications, Inc.

Empire Mobile Studios, Inc., a Delaware corporation, is a company that was formed in 2015. The company's specific focus is on the development, acquisition, and marketing of digital assets with a specific focus on mobile and web applications. Empire seeks to identify key assets for acquisition and development and operate them independently. This diverse approach affords the company the ability to participate in the various sectors of the mobile and web application marketplace including but not limited to gaming, VR (virtual reality), AR (augmented reality), security, business, utility, social media, and communications.

Kryptos Communications, Inc. headquartered in Miami Beach, FL was founded in 2010 to develop and provide customers with the ability to have secure voice communications. As of August 2016, Kryptos has been downloaded and used in over 130 countries worldwide. Kryptos is a Secure Voice Over IP application. The product provides encrypted VoIP connectivity for secure calls over several platforms, including iPhone, Blackberry and Android equipped phones. It will work over 3G, 4G and LTE networks, as well as through Wi-Fi. Users download the client software from an Application store (e.g. iTunes) and must then activate service with Kryptos. Each user creates an individual ID. Secure phone calls are made peer-to-peer. Both users must have the software in order to use the functionality, but it is cross-platform compatible, i.e. will work across users on iPhones, Blackberry or Android phones. Kryptos utilizes 1024 bit RSA encryption during public/private key pair exchange. Kryptos utilizes 256 bit AES to encrypt the voice communications before transmission using the symmetric key exchanged via RSA. This provides virtually unbreakable communication from user to user.

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

July 3, 2001 in the State of Nevada

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

7371 – Computer programming

D. the issuer's fiscal year end date;

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E. principal products or services, and their markets;

Development, acquisition, and marketing of digital assets with a specific focus on mobile applications and web content in the areas of gaming, VR (virtual reality), AR (augmented reality), security, business, utility, social media, and communications.

7) Describe the Issuer's Facilities

Favored, Inc. maintains an office at 350 Lincoln Road, Miami, Florida 33139 under Empire's month-to-month lease at $95.00 per month, which includes utilities.

8) Officers, Directors, and Control Persons

A. <u>Names of Officers, Directors, and Control Persons</u>.

Craig Coaches, Chief Executive Officer, Director, Control Person

Craig Coaches is the Chief Executive Officer of Favored, Inc. and the sole member of the Board of Directors. Mr. Coaches is also the CEO of the Company's wholly owned subsidiaries, Empire Mobile Studios, Inc., and Kryptos Communications, Inc. where he oversees day-to-day management and operational control over all aspects of both companies. Mr. Coaches is an entrepreneur with a focus on the mobile technology sector. Prior to his current roles, from 2003-2016 he worked in various sectors of the financial industry. From 2003 to 2010 he held executive management positions with several private mortgage equity firms such as GMC Mortgage Capital, LLC and BH3 Management, LLC where he successfully assisted in the raising of over $29M in private real estate transactions. From 2010 through 2013 he worked as licensed mortgage loan officer at institutions such as New Penn Financial and PNC Bank. Craig Coaches owns 300,000,000 shares of Favored, Inc. common stock, representing 37.63% of the total issued and outstanding shares of common stock as of September 30, 2017.

Claude A. Page, Former Officer and Director, Control Person

Mr. Page was listed first listed on the Nevada Officer's List filed on August 21, 2006 as President and Director of the Company, and was listed in such offices through July 23, 2013. He is believed to have been the Company's CEO and Director prior to the appointment of the Custodian in May of 2016. He currently still holds 164,277,853 of the Company's common stock in his own name, totaling 20.61% of the total issued and outstanding shares of common stock as of September 30, 2017, and may beneficially own or control additional shares through family members or trusts.

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

The foregoing persons have NOT been the subject of:

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

b. 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;

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

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

Name and Address of Beneficial Owner		**Amount and Nature of Beneficial Ownership**	**Percentage**
Craig Coaches+ 350 Lincoln Road Miami, Florida 33139	common	300,000,000	37.63%
	preferred	200,000	100.00%
Claude A. Page** 2532 Concession 1A Woodslee, ON N0R1V0 Canada		164,277,853	20.61%
Stephen Carnes 3124 Holiday Ave. Apopka, FL 32703		125,000,000	15.68%

+ In addition to his ownership of 300,000,000 shares of common stock and 200,000 shares of preferred, Craig Coaches is the sole Officer and Director of Favored, Inc.

**Mr. Page may beneficially own or control additional shares titled in the name of certain family members or by virtue of serving as trustee of trusts using the same address on the Company's shareholder list as of September 30, 2017.

9) Third Party Providers

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

Legal Counsel
Matheau J. W. Stout, Esq.
400 East Pratt Street
8th Floor
Baltimore, Maryland 21202
Phone: 410-429-7076
Email: mjwstout@gmail.com

Accountant or Auditor
None

10) Issuer Certification

I, Craig Coaches certify that:

1. I have reviewed this Initial Disclosure Statement of Favored, 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.

November 13, 2017

/s/ Craig Coaches

CEO

FAVORED, INC.
Condensed Consolidated Balance Sheets
(Unaudited)

	September 30, 2017	September 30, 2016	
ASSETS			
Current Assets			
Cash & Cash Equivalents	527	4,274	
Total Current Assets	527	4,274	
Other Assets			
Investment in subsidiary	5,000	5,000	
Goodwill	30,000	30,000	
Total Other Assets	35,000	35,000	
TOTAL ASSETS	35,527	39,274	
LIABILITIES AND STOCKHOLDERS' EQUITY			
Current Liabilities			
Accounts Payable	66,877	37,995	
Accrued Interest Payable	59,115	25,335	*Total Short-Term*
Accrued Payroll Payable	181,250	68,750	*Liabilities*
Due to Related Party	8,316	2,800	1,144,314
Notes Payable (Note 4)	828,756	880,620	1,015,500
TOTAL LIABILITIES	1,144,314	1,015,500	
Stockholders' Equity			
Common Stock; 3,000,000,000 Authorized: Par Value $.0001; 797,234,934 issued and outstanding as of 9/30/2017 & 1,000,000,000 Shares Authorized: 562,234,934 issued and outstanding as of 9/30/2016	79,723	56,224	
Preferred Stock - Class A; 5,000,000 Shares Authorized; Par Value $.0001 200,000 issued and outstanding as of 9/30/2017 & 0 issued and outstanding at 9/30/2016	20	-	
Additional Paid-In Capital	(390)	-	
Retained Earnings (Deficit)	(1,035,403)	(1,032,450)	
Current Earnings/(Loss)	(152,737)		
		(976,226)	
	35,527	39,274,	
	(1,108,787)		
TOTAL STOCKHOLDERS' EQUTIY/(DEFICIT)			
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY			

SEE ACCOUNTANTS' REPORT AND NOTES TO FINANCIAL STATEMENTS

FAVORED, INC.
Condensed Consolidated Income Statements

For the Three and Nine months ended
September 30, 2017 & September 30, 2016
(Unaudited)

	Three Months Ended September 30, 2017	Three Months Ended September 30, 2016	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
REVENUES:				
Sales	$ 86	$ 641	$ 555	$ 3,584
TOTAL REVENUE	86	641	555	3,584
COST OF SALES	444	-	1,025	-
GROSS MARGIN	(358)	641	(470)	3,584
OPERATING EXPENSES:				
Administrative expenses	1,206	21,831	4,969	28,005
Salaries	37,500	37,500	113,000	82,365
Professional Fees	6,775	-	8,525	-
Travel expense	-	-	130	-
Total Operating expenses	45,481	59,331	126,624	110,370
NET OPERATING INCOME/ LOSS	(45,839)	(58,690)	(127,094)	(106,786)
OTHER INCOME/EXPENSES:	(8,445)	(8,445)	(25,643)	
	(54,284)	$ (67,135)	$ (152,737)	(132,121)

Finance and interest fees						(25,335)
NET INCOME (LOSS)			$ $			
Basic and Diluted Loss per Common Share	(0.000068)	$	(0.000119)	$	(0.000194)	(0.000235)
Weighted Average Number of Common Shares Outstanding	797,234,934		562,234,934		797,234,934	562,234,934

SEE ACCOUNTANTS' REPORT AND NOTES TO FINANCIAL STATEMENTS

FAVORED, INC.
Condensed Consolidated Statement of Cash Flows
For The Nine Months ended September 30, 2017 & September 30, 2016
(Unaudited)

September 30, 2017 **September 30, 2016**

CASH FLOWS FROM OPERATING ACTIVITIES
Net Income (Loss) $ (152,737) $(132,121) ***Adjustments to reconcile change in net assets*** ***to net cash provided by operating activities***
Write off of assets acquired 16,593 Accrued Interest
Payable 33,048 25,335

Due to Shareholder	5,516	-
Accounts Payable	22,175	8,350
Accrued Salary	112,500	68,750
Net cash provided by operating activities	(20,502)	(13,093)

CASH FLOWS FROM INVESTING ACTIVITIES

Acquisition of Assets	-	
Net cash used for investing activities		

CASH FLOWS FROM FINANCING ACTIVITIES
Proceeds from Loans and advances - 3,551 Reduction in Loans
18,500 -

Net cash used from financing activities	18,500	3,551

DECREASE IN CASH AND CASH EQUIVALENTS	(2,002)	(9,542)
CASH AND CASH EQUIVALENTS AS OF BEGINNING OF THE PERIOD	2,529	13,816
CASH AND CASH EQUIVALENTS AS OF THE END OF THE PERIOD	$ 527	$13,816

SEE ACCOUNTANTS' REPORT AND NOTES TO FINANCIAL STATEMENTS

FAVORED, INC.
Notes to Condensed
Consolidated Financial Statements
For the Nine Months Ended September 30, 2017
(Unaudited)

NOTE 1 – NATURE OF OPERATIONS

Description of Business and History

The Company was incorporated as Urbanalien, Inc. in July 2001 as a Nevada corporation. Since inception, the Company was primarily involved in raising capital and working to establish Interactive kiosk terminals. In September, 2005, the Company filed Form 15 to de-registered with the Securities and Exchange Commission. On December 22 2015, a lawsuit was filed against Favored, Inc. in the District Court of Clark County, Nevada entitles "In the Matter of Favored, Inc." under case # A729331 by a shareholder, Barton Hollow, LLC, along with an Application for Appointment of Custodian after several attempts to locate prior management and reinstate the Company's Nevada Charter, which had been revoked. On March 10, 2016, the Court entered an Order Granting Application for Appointment of Barton Hollow, LLC as Custodian of Favored, Inc. ("the Custodian"). The Custodian is an entity controlled by securities attorney, Adam S. Tracy, its Managing Member.

On April 19, 2016, the Company merged with Empire Mobile Studios, Inc. ("Empire") in a transaction that resulted in the issuance of 300,000,000 shares of common stock in exchange for 100% of the common stock of Empire. For accounting purposes, the transaction was treated as a reverse merger since the acquired entity now forms the basis for operations and the transaction resulted in a change in control, with the acquired company electing to become the successor issuer for reporting purposes. On April 19, 2016, the Company also acquired Kryptos Communications, Inc. ("Kryptos") in exchange for 5,000,000 shares of common stock.

On July 21, 2016, the Custodian files with the Court a Report of Barton Hollow, LLC which stated that it had fully executed its duties charged pursuant to the Order appointing it as Custodian. The accompanying financial statements have been prepared to reflect the consolidated assets, liabilities and operations of Kryptos and Empire.

Empire's Chief Executive Officer, Craig Coaches, was appointed as the Company's sole director, President and Chief Executive Officer to manage the development of Empire and Kryptos' business. Both entities are involved in the development, marketing and promotion of applications for smart phones and tablets. The business model involves developing apps owned by the Company and under contract from third parties in addition to promoting apps developed and owned by others in exchange for a percentage of income generated.

In management's opinion, all adjustments necessary for a fair statement of the results for the presented periods have been made. All adjustments made were of a normal recurring nature.

Going Concern

These financial statements have been prepared on a going concern basis, which implies the Company will continue to meet its obligations and continue its operations for the next fiscal year. Realization value may be substantially different from carrying values as shown and these financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. As of September 30, 2017, the Company has a working capital deficiency and has an accumulated deficit of $1,035,403. The continuation of Favored, Inc. as a going concern is dependent upon the continued financial support from its shareholders, the ability of the Company to obtain necessary equity financing to continue operations, and the attainment of profitable operations. These factors raise substantial doubt regarding the Company's ability to continue as a going concern.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements. In the opinion of management, all adjustments consisting of a normal and recurring nature considered necessary for a fair presentation have been included.

Use of Estimates

The preparation of financial statements in accordance with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of net revenue and expenses in the reporting period. We regularly evaluate our estimates and assumptions related to the useful life and recoverability of long-lived assets, stock-based compensation and deferred income tax asset valuation allowances. We base our estimates and assumptions on current facts, historical experience and various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by us may differ materially and adversely from our estimates. To the extent there are material differences between our estimates and the actual results, our future results of operations will be affected.

Cash and Cash Equivalents

The Company considers all highly liquid instruments with original maturities of three months or less when acquired, to be cash equivalents.

Income Taxes

The Company accounts for income taxes under the provisions issued by the FASB which requires recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The Company computes tax asset benefits for net operating losses carried forward. The potential benefit of net operating losses has not been recognized in these financial statements because the Company cannot be assured it is more likely than not it will utilize the net operating losses carried forward in future years.

Loss Per Common Share

The Company reports net loss per share in accordance with provisions of the FASB. The provisions require dual presentation of basic and diluted loss per share. Basic net loss per share excludes the impact of common stock equivalents. Diluted net loss per share utilizes the average market price per share when applying the treasury stock method in determining common stock equivalents. As of September 30, 2107 and 2016, there were no dilutive common stock equivalents outstanding.

Fair Value of Financial Instruments

Pursuant to ASC No. 820, “Fair Value Measurements and Disclosures”, the Company is required to estimate the fair value of all financial instruments included on its balance sheet as of September 30, 2107 and September 30, 2016. The Company’s financial instruments consist of cash and cash equivalents. The Company considers the carrying value of such amounts in the financial statements to approximate their fair value due to the short-term nature of these financial instruments.

The Company adopted ASC No. 820-10 (ASC 820-10), Fair Value Measurements. ASC 82010 relates to financial assets and financial liabilities. ASC 820-10 defines fair value, establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (GAAP), and expands disclosures about fair value measurements. The provisions of this standard apply to other accounting pronouncements that require or permit fair value measurements and are to be applied prospectively with limited exceptions.

ASC 820-10 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This standard is now the single source in GAAP for the definition of fair value, except for the fair value of leased property as defined in SFAS 13. ASC 820-10 establishes a fair value hierarchy that distinguishes between

(1) Market participant assumptions developed based on market data obtained from independent sources

(observable inputs) and (2) an entity's own assumptions, about market participant assumptions, that are developed based on the best information available in the circumstances (unobservable inputs). The fair value hierarchy consists of three broad levels, which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under ASC 820-10 are described below:

- Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.

- Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

- Level 3 Inputs that are both significant to the fair value measurement and unobservable. These inputs rely on management's own assumptions about the assumptions that market participants would use in pricing the asset or liability. (The unobservable inputs are developed based on the best information available in the circumstances and July include the Company's own data.)

The following presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a non-recurring basis as of September 30, 2016 and December 31, 2015:

September 30, 2107:

	Level 1	Level 2	Level 3	Total
	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -

September 30, 2106:

	Level 1	Level 2	Level 3	Total
	$ -	$ -	$ -	$ -
Total	$ -	$ -	$ -	$ -

Derivative Financial Instruments

Fair value accounting requires bifurcation of embedded derivative instruments such as conversion features in convertible debt or equity instruments, and measurement of their fair value for accounting purposes. In determining the appropriate fair value, the Company uses the Black-Scholes option-pricing model. In assessing the convertible debt instruments, management determines if the convertible debt host instrument is conventional convertible debt and further if there is a beneficial conversion feature requiring measurement. If the instrument is not considered conventional convertible debt, the Company will continue its evaluation process of these instruments as derivative financial instruments.

Once determined, derivative liabilities are adjusted to reflect fair value at each reporting period end, with any increase or decrease in the fair value being recorded in results of operations as an adjustment to fair value of derivatives. In addition, the fair value of freestanding derivative instruments such as warrants, are also valued using the Black Scholes option-pricing model.

As of September 30, 2107 and 2016 the Company had no derivative financial instruments.

Recently Issued Accounting Standards

In July 2015, FASB issued ASU No. 2015-11, “Inventory (Topic 330): Simplifying the Measurement of

Inventory” more closely align the measurement of inventory in GAAP with the measurement of inventory in International Financial Reporting Standards (IFRS). The amendments in this ASU do not apply to inventory that is measured using last-in, first-out (LIFO) or the retail inventory method. The amendments apply to all other inventory, which includes inventory that is measured using first-in, first-out (FIFO) or average cost. An entity should measure inventory within the scope of this Update at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Subsequent measurement is unchanged for inventory measured using LIFO or the retail inventory method. For public business entities, this ASU is effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. For all other entities, this ASU is effective for fiscal years beginning after December 15, 2016, and interim periods within fiscal years beginning after December 15, 2017. The amendments in this ASU should be applied prospectively with earlier application permitted as of the beginning of an interim or annual reporting period. We are currently reviewing the provisions of this ASU to determine if there will be any impact on our results of operations, cash flows or financial condition.

In August 2015, FASB issued ASU No.2015-14, “Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date” defers the effective date ASU No. 2014-09 for all entities by one year. Public business entities, certain not-for-profit entities, and certain employee benefit plans should apply the guidance in Update 2014-09 to annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. Earlier application is permitted only as of annual reporting periods beginning after December 15, 2016, including interim reporting periods within that reporting period. All other entities should apply the guidance in Update 2014-09 to annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. All other entities may apply the guidance in ASU No. 2014-09 earlier as of an annual reporting period beginning after December 15, 2016, including interim reporting periods within that reporting period. All other entities also may apply the guidance in Update 2014-09 earlier as of an annual reporting period beginning after December 15, 2016, and interim reporting periods within annual reporting periods beginning one year after the annual reporting period in which the entity first applies the guidance in ASU No. 2014-09. We are currently reviewing the provisions of this ASU to determine if there will be any impact on our results of operations, cash flows or financial condition.

All other newly issued accounting pronouncements but not yet effective have been deemed either immaterial or not applicable.

NOTE 3 - GOODWILL

In connection with the acquisition of Empire Mobile Studios, the Company issued 300,000,000 shares of common stock, which had a par value of $30,000. As Empire had no assets or liabilities on the date of acquisition, the value of the shares issued has been recorded as goodwill.

NOTE 4 – NOTES PAYABLE

In connection with the acquisition of Kryptos the Company recorded a loan of $847,256, which related to amounts previously advanced to Kryptos by its then officer and director for working capital purposes. As the note holder has not been an officer or director of the Company for more than 90 days, the notes are not considered related party liabilities. Of the total advanced, $281,500 bears interest at 12% per annum as is past due. The balance does not bear interest and is due on demand.

NOTE 5 - COMMON STOCK

During the year ended December 31, 2016, the Company had the following common stock transactions:

- 300,000,000 shares issued to acquire Empire Mobile Studios. • 5,000,000 shares issued to acquire Kryptos Communications.

Each of these issuances was made pursuant to an exemption from registration under Rule 144 of the Securities Act of 1933.

- 50,000,000 to extinguish $11,115 in accrued liabilities.

This issuance was made pursuant to an exemption from registration under Section 3(a)(10) of the Securities Act of 1933. On November 2, 2016, one of the company's creditors, Stephen Carnes, filed an action in the Circuit Court of Baltimore County Court seeking repayment on $16,144.80 in unpaid liabilities (Case No. 03-C-16-011092). On November 17, 2016, the parties to the action reached a settlement in which the Company agreed to issue 50,000,000 shares of common stock in exchange for relief of $11,115 of the liabilities. On November 22, 2016, the judge signed an order under Section 3(a) 10 of the Securities act approving the Settlement Agreement.

During the nine months ended September 30, 2017, the Company had the following common stock transactions:

185,000,000 shares issued for the conversion of $18,500 debentures at par $.0001.