

CMARK INTERNATIONAL, INC.

CMARK INTERNATIONAL, INC.

ANNUAL REPORT

For the fiscal year ended December 31, 2012

**9570 Two Notch Road
Suite 4
Columbia, SC 29223**

(803)699-4940

OTC Pink Basic Disclosure Guidelines

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

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

June 2000 – Present CMARK International, inc.

2) Address of the issuer's principal executive offices

Company Headquarters

Address 1: 9570 Two Notch Road

Address 2: Suite 4

Address 3: Columbia, SC 29223

Phone: 803-699-4940

Email: support@cmark.org

Website(s): www.cmark.org

IR Contact

Address 1: _____

Address 2: _____

Address 3: _____

Phone: _____

Email: _____

Website(s): _____

3) Security Information

Trading Symbol: CMIT

Exact title and class of securities outstanding: Common Stock; Series A and Series B Preferred Stock-Currently not traded

CUSIP: 18975J

Par or Stated Value:

Common Stock: \$0.0001 par value per share

Total shares authorized: 250,000,000

as of: 12/31/12

Total shares outstanding: 132,851,923

as of: 12/31/12

Preferred share information (if necessary):

Exact title and class of securities outstanding: Series A/Series B Preferred Stock

CUSIP: 18975J

Par or Stated Value: \$0.0001 par value per share

Total shares authorized: 10,000,000

as of: 12/31/12

Total shares outstanding: 7,000,000

as of: 12/31/12

Transfer Agent

Name: First American Stock Transfer

Address 1: 4747 North 7th Street

Address 2: Suite 170

Address 3: Phoenix, AZ 85014-3617

Phone: 877 271 0548

Is the Transfer Agent registered under the Exchange Act?*

Yes:

No:

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

within the past year, please list any past, pending, or planned acquisition, spin-off, or reorganization:

No

4) Issuance History

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

NAME1	ADDRESS1	CITY	STATE	ZIP	COUNTRY	NUMSHAC T	ISSUED	REST RICT ED	RESTRICTE D SHARES	TOTACTSH	STOCK TYPE	CERTCL S
TRAFALGAR CAPITAL SPECIALIZED INVESTMENT FUND, FIS	RUE THOMAS EDISON 4L- 1445	LUXEMBOUR G			Luxembour g	13,919,294	12/30/1 1	R	13,919,294	13,919,294	COMM	CS1
CEDE & CO	P O BOX 222	NEW YORK	NY	1027 4	US	4,000,000	4/18/12		0	32,699,488	COMM	CS1
JAMES KENNEDY	4529 MATTOX CROSSING COURT	POWAHATAN	VA	2313 9	US	675,000	8/1/12	R	675,000	2,087,724	COMM	CS1
KENNETH MAURITZEN	C. 513 MAPLE LANE	DARIEN	IL	6056 1- 4066		5,000	8/24/12		0	5,000	COMM	CS1
ROBERT LANFORD	4001 EAST CLAREMON T ST	PARADISE VALLEY	AZ	8525 3	US	2,600,000	8/29/12	R	2,600,000	2,600,000	COMM	CS1
TOM SNEVA TR SNEVA ENTERPRISES INC EMPLOYEE BENEFIT TRUST DBP	3301 E VALLEY VISTA LN	PARADISE VALLEY	AZ	8525 3		1,300,000	9/10/12		0	1,300,000	COMM	CS1
CEDE & CO	P O BOX 222	NEW YORK	NY	1027 4	US	3,500,000	9/20/12		0	32,699,488	COMM	CS1
TOM SNEVA	3301 EAST VALLE VISTA LANE	PARADISE VALLEY	AZ	8525 3	US	6,000,000	10/4/12	R	6,000,000	6,000,000	COMM	CS1
ERIC BROMENSHENKE L	13663 SOUTH 37TH PLACE	PHOENIX	AZ	8504 4	US	2,000,000	10/8/12		0	2,150,000	COMM	CS1

With respect to private offerings of securities, the list shall also indicate the identity of the persons who purchased securities in such private offering; *provided, however*, that in the event that any such person is an entity, the list shall also indicate (a) the identity of each natural person beneficially owning, directly or indirectly, more than ten percent (10%) of

any class of equity securities of such entity and (b) to the extent not otherwise disclosed, the identity of each natural person who controlled or directed, directly or indirectly, the purchase of such securities for such entity.

5) Financial Statements

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

- A. Balance sheet;
- B. Statement of income;
- C. Statement of cash flows;
- D. Financial notes; and
- E. Audit letter, if audited

The financial statements requested pursuant to this item shall be prepared in accordance with US GAAP by persons with sufficient financial skills.

You may either (i) attach/append the financial statements to this disclosure statement or (ii) post such financial statements through the OTC Disclosure & News Service as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

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

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



**KYLE AND
COMPANY, P.C.**

**CERTIFIED PUBLIC ACCOUNTANT
MEMBER
AMERICAN INSTITUTE OF CPA'S
S.C. ASSOCIATION OF CPA'S
PRIVATE COMPANIES PRACTICE SECTION**

INDEPENDENT ACCOUNTANT'S REPORT

To the Stockholders
CMARK International, Inc.
Columbia, South Carolina

I have compiled the accompanying consolidated balance sheets of CMARK International, Inc. and subsidiaries as of December 31, 2012 and the related consolidated statements of income and changes in stockholders' deficit and cash flows for the year then ended.

I have not audited or reviewed the accompanying consolidated financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining control relevant to the preparation and fair presentation of the financial statements.

My responsibility is to conduct the compilation in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

The consolidating information in the supplemental information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, and cash flows of the individual companies, and it is not a required part of the consolidated financial statements. The consolidating information has been compiled in accordance with Statements on Standards for Accounting and Review Services issues by the American Institute of Certified Public Accountants. I have not audited or reviewed the accompanying consolidating financial information and, accordingly, do not express an opinion on them.

February 9, 2013

Kyle and Company P.C.

CONSOLIDATED BALANCE SHEET
(Compiled—without audit)
CMARK INTERNATIONAL, INC.
December 31, 2012

ASSETS

CURRENT ASSETS

Cash	\$ 123,709
Accounts receivable--Note B	478,695
Deposits	2,083
Work in progress-inventory—Note C	<u>392,673</u>

TOTAL CURRENT ASSETS 997,160

PROPERTY AND EQUIPMENT, net – Note D 405,335

OTHER ASSETS

Organizational costs, less amortization	8,055
Patent, less amortization	<u>877,800</u>
	<u>885,855</u>

\$ 2,288,350

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES	
Accounts payable	\$ 2,751,537
Billings in excess of costs and estimated	
Earnings on uncompleted contracts	439,435
Accrued payroll —Note F	16,059
Accrued expenses	110,499
Factoring credit line – Note M	188,033
Due to shareholder	9,908
Current maturities of capital leases—Note I	<u>15,100</u>
TOTAL CURRENT LIABILITIES	3,546,922
DEFERRED INCOME TAXES—Note G	144,950
LONG-TERM DEBT	
Capitalized lease payable—Note I	82,400
Secured convertible debentures—Note J	<u>2,500,000</u>
	2,582,400
STOCKHOLDERS' DEFICIT	
Common stock, par value \$0.0001	
Authorized 250,000,000 shares	
Issued and outstanding, 132,051,000	20,705
Additional paid in capital	15,486,142
Accumulated deficit	(21,429,922)
Other comprehensive income	1,806,200
Non-controlling interest	<u>130,953</u>
	<u>(3,985,922)</u>
	<u>\$ 2,288,350</u>

COMMITMENTS AND CONTINGENCIES--Note O

See notes to financial statements.

CONSOLIDATED STATEMENT OF INCOME
 (Compiled—without audit)
CMARK INTERNATIONAL, INC.
 For the Year Ended December 31, 2012

Operational revenue		\$ 4,515,628
Cost of revenue		<u>3,871,016</u>
	GROSS PROFIT	644,612
General and administrative expenses		<u>1,046,905</u>
	OPERATING LOSS	(402,293)
Other income and expense		
Depreciation and amortization expense		(249,580)
Interest expense		<u>(1,706)</u>
		<u>(251,286)</u>
Net loss before income taxes and non-controlling interest		(653,579)
Provision for income taxes		<u>22,966</u>
Net loss before non-controlling interest		(630,613)
Non-controlling interest		<u>32,629</u>
	NET LOSS	\$ <u>(597,984)</u>
Operating loss per share		(0.0019)
Loss per share		(0.0028)

Income taxes—Note G
 Commitments and contingencies—Note O

See notes to financial statements.

CONSOLIDATED STATEMENT OF INCOME
 (Compiled—without audit)
CMARK INTERNATIONAL, INC.
 For the Year Ended December 31, 2011

Operational revenue		\$ 4,586,604
Cost of revenue		<u>3,858,539</u>
	GROSS PROFIT	728,065
General and administrative expenses		<u>1,277,696</u>
	OPERATING LOSS	(549,631)
Other income and expense		
Depreciation and amortization expense		(248,911)
Interest expense		(2,443)
Gain on sale of assets		<u>250,829</u>
		<u>(465)</u>
Net loss before comprehensive income, income taxes and non-controlling interest		(550,096)
Gain on debt conversion		<u>1,806,200</u>
Net income before income taxes and non-controlling interest		1,256,104
Provision for income taxes		<u>(140,000)</u>
Net income before non-controlling interest		1,116,104
Non-controlling interest		<u>(58,373)</u>
	NET INCOME	<u>\$ 1,057,731</u>
Operating loss per share		(0.0046)
Income per share		(0.0088)

Income taxes—Note G
 Commitments and contingencies—Note N

See notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
 (Compiled-without audit)
CMARK INTERNATIONAL, INC.
 For the Years Ended December 31, 2012

Net loss	\$ (597,984)
Adjustments to reconcile net income to cash provided by operating activities	
Decrease in deferred taxes	(30,000)
Depreciation and amortization	<u>249,580</u>
	(378,404)
Changes in operating assets and liabilities--	
Increase (decrease) in cash flows	
Accounts receivable	225,738
Employee advances	(50,407)
Cost and estimated earnings in excess of billings on uncompleted contracts	(289,587)
Prepaid expenses	44,136
Accounts payable	352,405
Accrued payroll	(67,312)
Billings in excess of costs and estimated earnings on uncompleted contracts	389,941
Accrued expenses	<u>(198,868)</u>
	<u>406,046</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>27,642</u>
Advances from affiliate	<u>16,350</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	16,350
NET INCREASE IN CASH	43,992
Cash at beginning of the year	<u>79,717</u>
CASH AT END OF YEAR	<u>\$ 123,709</u>
Cash paid for interest during year	<u>\$ 1,706</u>

See notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
(Compiled-without audit)
CMARK INTERNATIONAL, INC.
For the Years Ended December 31, 2011

Net income	\$ 1,057,731
Adjustments to reconcile net income to cash used by operating activities	
Gain on sale of assets	(250,829)
Gain on conversion of debentures	(1,806,200)
Increase in deferred taxes	104,400
Depreciation and amortization	<u>248,911</u>
	(645,987)
Changes in operating assets and liabilities--	
Increase (decrease) in cash flows	
Accounts receivable	575,477
Employee advances	22,287
Inventory	304,038
Cost and estimated earnings in excess of billings on uncompleted contracts	14,528
Accounts payable	(1,560,447)
Billings in excess of costs and estimated earnings on uncompleted contracts	(84,539)
Accrued expenses	<u>309,367</u>
	<u>(419,289)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(1,065,276)</u>
Capital lease payments	(11,199)
Proceeds from short term financing	<u>500,000</u>
NET CASH PROVIDED BY FINANCING ACTIVITIES	488,801
NET INCREASE (DECREASE) IN CASH	(576,475)
Cash at beginning of the year	<u>656,192</u>
CASH AT END OF YEAR	<u>\$ 79,717</u>

Non-cash investing and financing activities:

During the year ended December 31, 2011, the following non-cash activities occurred:

1. Redemption of secured debentures reclassified long term debt to common stock in the amount of \$1,292, additional paid in capital of \$7,955,124 and other comprehensive income of \$1,806,200.
2. Transfer of assets to subsidiary recorded \$250,829 in gain from sale of assets.

See notes to financial statements.

CMARK INTERNATIONAL AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF STOCKHOLDERS' EQUITY AND ACCUMULATED DEFICIT
 For the Year Ended December 31, 2012

	<u>Cmark International</u>	<u>Cmark Technologies</u>	<u>Cmark Construction</u>	<u>Eliminations</u>	<u>Total</u>
Common Stock	\$ 20,705	\$ -	\$ 480	\$ (480)	\$ 20,705
Additional Paid-In	14,618,992	867,150	109,520	(109,520)	15,486,142
Accumulated Deficit	(20,384,447)	(1,166,355)	120,880	-	(21,429,922)
Accumulated other comprehensive income	1,606,615	199,585	-	-	1,806,200
Noncontrolling Interest		-	130,953	-	130,953
Total	<u>\$ (4,138,135)</u>	<u>\$ (99,620)</u>	<u>\$ 361,833</u>	<u>\$ (110,000)</u>	<u>\$ (3,985,922)</u>

CMARK INTERNATIONAL INC. AND SUBSIDIARIES
 CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY AND ACCUMULATED DEFICIT
 For the Year Ended December 31, 2011

	Common Stock	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Noncontrolling Interest	Total
BALANCE-January 1, 2011	\$ 10,661	\$ 8,754,802	\$ (20,079,752)	\$ -	\$ 101,492	\$ (11,212)
Net Income	\$ -	\$ -	\$ (748,469)	\$ -	\$ 58,373	\$ (690)
Debt redemption	\$ 1,392	\$ 6,739,992	\$ -	\$ 1,806,200	\$ -	\$ 8,541
BALANCE-December 31, 2011	\$ 12,053	\$ 15,494,794	\$ (20,828,221)	\$ 1,806,200	\$ 159,865	\$ (3,350)

See notes to financial statements

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CMARK INTERNATIONAL, INC.

December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting principles followed by CMARK International, Inc. and subsidiaries (the Company or CMARK) and the methods of applying those principles which materially affect the determination of financial position, cash flows, and results of operations are summarized below:

Industry

The Company is a South Carolina corporation, organized on June 5, 2000, operating for the purpose of providing supplies and equipment to the United States Government and related entities. During 2005, the Company added food disaster relief, remodeling and construction services. The Company holds architectural and general contractors licenses in the State of South Carolina. The Company is economically dependent on federal contracts. Substantially all contracts are with these government agencies, many of which periodically exceed 10% of the Company's annual revenues. A significant decrease in the amount of new government contracts, for whatever reason, would have a material adverse effect on the Company.

The Company operated until June 1, 2006 as a privately held company at which time the Company commenced trading on the over the counter Pink Sheets with the symbol, "CMKI" which was subsequently changed to "CMIT".

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and the wholly owned subsidiary CMARK Technologies, Inc. and the CMARK Construction, Inc. which the Company owns 48% and has been consolidated due to common ownership and control and like industries. All significant inter-company accounts and transactions have been eliminated in consolidation.

Going Concern

The Company prepares accrual basis financial statements on the basis that it is a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has sustained operating losses in the current year. As of the December 31, 2012 the Company has a consolidated working capital deficit of \$2,549,762, consolidated stockholders' deficit of \$3,985,922, and consolidated accumulated deficit of \$21,429,922. During the year ended December 31, 2012, the Company had a consolidated net loss before other comprehensive income and income taxes of \$653,579 and cash provided in operating activities of \$27,642. The Company's ability to continue in existence is dependent on its ability to develop additional sources of capital, and/or achieve profitable operations and positive cash flows. Management's plan is to aggressively pursue its present business plan and expand its offering of services and products to additional government and commercial customers. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CMARK INTERNATIONAL, INC.

December 31, 2012

NOTE A - SUMMARY OF ACCOUNTING POLICIES – Continued

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, the 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 and assumptions. Significant estimates include the allowance for doubtful accounts receivable, inventory valuation, valuation of long-lived assets, reserve for sales discounts to be taken, valuation of debt discounts including beneficial conversion values, valuation of stock-based compensation and fees and valuation of deferred tax assets.

Cash Equivalents

The Company considers all highly liquid investments with the original maturities of three months or less to be cash equivalents.

Accounts Receivable

Accounts receivable are recorded based on the below accounting policy for revenue recognition. CMARK provides an allowance for doubtful collections that is based upon a review of outstanding receivables, historical collection information, and existing economic conditions. Accounts receivable are due 30 days after the issuance of invoices. Receivables past due more than 120 days are considered delinquent. Delinquent receivables are written off based on individual credit evaluation and specific circumstances of the customer. Receivables are collateralized by normal contractor lien rights but are not charged a financing fee on past due balances.

Work in Progress

Work in progress consists of finished goods and are valued at lower of cost or market. Since the Company's vendors drop ship the inventories to the Company's customers, the work in progress inventories are primarily either held at customers sites or near-by staging areas or are in-transit and represent inventories that the Company has not billed to customers since revenue recognition policy requirements have not been met as of the financial statement reporting date. Management performs periodic assessments to determine the existence of obsolete, slow-moving and non-saleable inventories and records necessary provisions to reduce such inventories to net realizable value. The Company recognizes all inventory reserves and write-downs as a component of cost of goods sold.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CMARK INTERNATIONAL, INC.

December 31, 2012

NOTE A - SUMMARY OF ACCOUNTING POLICIES – Continued

Property and Equipment

Property and equipment assets are maintained on the basis of cost less accumulated depreciation. Depreciation is computed principally on the straight-line method for financial accounting reporting over the estimated useful lives of the assets, summarized as follows: transportation equipment, 4 - 7 years; machinery and equipment, 3 - 7 years; and office equipment, 4 - 5 years. The cost of maintenance and repairs is charged to operations in the year incurred. Costs of additions and major improvements are capitalized. The costs of assets retired or otherwise disposed and the related accumulated depreciation are eliminated from the accounts. Depreciation related to construction costs is charged to the cost of construction accounts.

Leases

The Company is a lessee of certain equipment from time to time. For capital leases, the Company records the equipment as an asset (property equity) at the present value of the related obligation liability (discounted to cover applicable interest). These types of leases are essentially equivalent to installment purchases of property. For operating leases, neither the asset nor the obligation is recorded. Rental expenses are charged directly to operations as incurred.

Accounting for Derivatives

The Company evaluates its convertible debt, options, warrants or other contracts to determine if those contracts or embedded components of those contracts qualify as derivatives to be separately accounted for under ASB Topic 815.

The result of this accounting treatment is that the fair value of the embedded derivative is marked-to-market each balance sheet date and recorded as a liability. In the event that the fair value is recorded as a liability, the change in fair value is recorded in the statement of operations as other comprehensive income. Upon conversion or exercise of a derivative instrument, the instrument is marked to fair value at the conversion date and then that fair value is reclassified to equity. Equity instruments that are initially classified as equity that become subject to reclassification are reclassified to liability at fair value of the instrument on the reclassification date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CMARK INTERNATIONAL, INC.

December 31, 2012

NOTE A - SUMMARY OF ACCOUNTING POLICIES - Continued

Revenue and Cost Recognition

The Company recognizes revenue when service and supplies and/or equipment are provided/shipped to or received by the customer at contracted amounts pursuant to contract terms. Components staged for later shipment are considered work in progress inventory and are recorded at cost. The Company does not record the revenue on these items until they have been shipped to or received by the customer. There are no "Bill and Hold" arrangements with customers. Customer advance payments are recorded as deferred revenue until earned. There is no provision for customer returns based on the policy that customers have no right of return privileges, and once title is transferred, the Company's obligations ends. The only future obligation is the manufacturer's warranty.

The Company recognizes revenues and reports profits from short-term construction contracts under the completed contract method. These contracts generally do not extend for periods in excess of one year. Contract costs are accumulated as deferred assets and billings and/or cash received is charged to a deferred revenue liability account, during the periods of construction, but no revenues, costs or profits are recognized in operations until the period upon completion of the contract. Costs include direct material, direct labor, and project related overhead. A contract is considered complete when all costs except insignificant items have been incurred and the installation is operating according to specifications or has been accepted by the customer. Corporate, general and administrative expense are charged to the period as incurred. Provision for estimated contract losses, if any, is made in the period that such losses are determined.

Claims are included in revenues when received and claims related to unpaid amounts records as accounts payable to subcontractors are included in costs if the dispute is resolved to the benefit of the Company. Revenues from construction contracts are included in the interior build-outs revenue classification in the accompanying statements of operations.

The deferred asset (accumulated contract costs) in excess of the deferred liability (billings and/or cash received) is classified as a current asset under costs in excess of billings on uncompleted contracts. The deferred liability (billings and/or cash received) in excess of the deferred asset (accumulated contract costs) is classified under current liabilities as billings in excess of costs on uncompleted contracts. Contract retentions are included in contracts receivable.

Costs of revenues includes all direct materials, supplies, contracted services and any other associated items at incurred cost. Construction costs incurred are outsourced and included in contracted services. Selling, general and administrative expenses are treated as period expenses and therefore are not a component of cost of revenue.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CMARK INTERNATIONAL, INC.

December 31, 2012

NOTE A – SUMMARY OF ACCOUNTING POLICIES – Continued

Fair Value of Financial Instruments

ASB Topic 820 disclosures about fair value of financial instruments, defines fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. The carrying values of the Company's financial instruments, which consists of current assets and liabilities including long-term debt approximate fair value due to the either the short-term maturities of such instruments or current market rates for similar long-term debt obligations.

Reserve for Sales Discounts

The Company offers its customers a 0.5% discount on invoice balances paid within 20 days of the invoice date. The Company establishes a reserve for estimated discounts to be taken on accounts receivable balances as of the financial statements reporting date. This reserve is included as a credit to accounts receivable and reduces reported revenues.

Shipping and Handling Costs

Amounts invoiced to customers for shipping and handling are included in revenues. Shipping and handling costs related to purchases which are drop shipped to customers from vendors is included in cost of revenues.

Foreign Currency Transactions

Funding for the Company's convertible debentures originated in Euros. The debentures contain certain foreign currency exchange rate protection clauses for the benefit of the lender. These clauses, in substance, put the Company at risk for Euro to dollar decreases in the exchange rate between Euro and U.S. dollars since the closing dates exchange rates, however, these clauses do not allow the Company to adjust the debenture related payable balances for Euro to dollar increases in the exchange rate since the debenture closing dates exchange rate. Accordingly, pursuant to ASB Topic 830, the Company adjusts the balances of principal, accrued interest and liquidated damages at each reporting date for changes in the exchange rate. The Company may also transact other operating transaction in foreign currency. Gains and losses resulting from the debenture or other foreign currency transaction are recognized in operation of the period incurred.

Patents

As part of the acquisition of CMARK Technologies, Inc. the Company acquired a patent for secure cable connections in a structure. These cables are routed between a fixed structure and a removable surface to connectors within a lockable enclosure. The Patents are valued at \$1,463,000 less accumulated amortization and were acquired by the issuance of 7,000,000 Series A convertible preferred stock and the absorption of \$995,850 in secured debenture financing. The fair value of this patent is being amortized over the expected life of ten years.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CMARK INTERNATIONAL, INC.

December 31, 2012

NOTE A – SUMMARY OF ACCOUNTING POLICIES – Continued

Stock Based Compensation

Pursuant to ASB Topic 718 requires the measurement and recognition of compensation expenses for all share-based payment awards made to employees and directors including employee stock options and employee stock purchases related to an Employee Stock Purchase Plan based on estimated fair values. It also requires recognition of the fair value of stock issued as compensation or for services to employees or non-employees.

Income Taxes

Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets, including tax loss and credit carryforwards, and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred income tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities are individually classified as current and non-current based on their characteristics. 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 not be realized.

Earnings(loss) Per Common Share

Basic earnings(losses) per common share have been calculated based upon the weighted average number of common shares outstanding during the period in accordance with ASB Topic 260. All shares issued at nominal value have been considered outstanding since inception. The computation of diluted earnings per share assumes the exercise of stock options or warrants or conversion of convertible debt into common stock using the treasury stock method. The computation of loss per share excludes the conversion of such common stock equivalents as their result would be anti-dilutive.

Retirement Plan

The Company sponsors a 401(k) and profit sharing plan for employees with one year of service. Employees may elect to defer the lesser of 20% of compensation or \$16,500 (for 2012). The Company matches 25% of employee's deferral plus an annual discretionary amount. Employer contributions are immediately vested.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CMARK INTERNATIONAL, INC.

December 31, 2012

NOTE A – SUMMARY OF ACCOUNTING POLICIES – Continued

Contingencies

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company but which only will be resolved when one or more future events occur or fail to occur. The Company's management assesses such contingent liabilities and such assessment inherently involves an exercise of judgment.

If the assessment of a contingent liability can be estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates that a potentially material loss contingency is not probable, but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the nature of the guarantee would be disclosed.

Long Lived Assets

The Company reviews the carrying amount of long lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Measurement of any impairment would include a comparison of the fair value to the net carrying value of the assets.

Compensated Absences

Employees of the Company are entitled to paid time off depending on job classification, length of service and other factors. At December 31, 2012, the Company had approximately 80 employees. It is not practicable for the Company to estimate the amount of compensation for future absences; accordingly, no liability for compensated absences has been recorded in the accompanying financial statements. The Company's policy is to recognize the costs of compensated absences when actually paid to employees.

Lawsuits

The Company is party to several lawsuits that are ongoing. Most of the lawsuits involve unpaid vendor invoices.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CMARK INTERNATIONAL, INC.

December 31, 2012

NOTE B – ACCOUNTS RECEIVABLE

Accounts receivable consist of:

Billings due on contracts	
Trade	\$ 428,288
Employee receivables	50,407
Allowance for doubtful accountants	<u> --</u>
	<u>\$ 478,695</u>

All receivables with affiliated parties have been eliminated in the consolidation.

NOTE C – WORK IN PROGRESS INVENTORY

Information with respect to work in progress inventory:

Finished goods	\$ 392,673
Raw materials	<u> --</u>
	<u>\$ 392,673</u>

NOTE D – PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2012:

Mobile kitchen equipment	\$ 507,067
Computer equipment and software	108,290
Office furniture and equipment	298,793
Demonstration inventory	22,725
Leasehold improvements	16,897
Vehicles	<u>21,620</u>
	975,392
Less: accumulated depreciation	<u>570,057</u>
	<u>\$ 405,335</u>

NOTE E - DEPRECIATION

The depreciation expense on equipment of \$104,986 for the year ended December 31, 2012.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CMARK INTERNATIONAL, INC.

December 31, 2012

NOTE F -ACCRUED PAYROLL

Accrued expenses consist of:

Accrued payroll taxes	\$ 4,059
Accrued payroll	<u>12,000</u>
	<u>\$ 16,059</u>

NOTE G – INCOME TAXES

Provision for income tax expense during 2012 The following is a reconciliation of federal income tax expense for 2012:

Expected income tax benefit at federal	
Statutory rate – 34%	\$ 7,034
Deferred income taxes	(30,000)
Change in valuation allowance	<u>--</u>
Provision for income taxes	<u>\$ (22,966)</u>

The tax effects of temporary differences which were computed at Federal statutory rate of 34% that give rise to net deferred assets as of December 31, 2012 are as follows:

Net operating loss carryforwards	\$ 388,200
Depreciation expense	(105,000)
Bad debt allowance	<u>--</u>
Total gross deferred tax assets	284,800
Valuation allowance	<u>(284,800)</u>
Net deferred tax assets, December 31, 2012	<u>\$ --</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CMARK INTERNATIONAL, INC.

December 31, 2012

NOTE H – SECURED REDEEMABLE DEBENTURES

Redeemable Debenture – dated September 30, 2012

On September 30, 2011, the Company restructured its outstanding secured convertible debentures with Trafalgar Specialized Investment Fund (the Fund) of \$9,980,850 plus accrued interest in the amount of \$1,582,279. The terms of the restructuring are as follows:

1. The Fund reduced its secured convertible debentures from the total balance of \$11,563,129 to \$2,000,000. The new secured convertible debenture is interest bearing only at a rate of 10%. Final balloon payment is due on September 30, 2014. Interest payments are due on September 30 of each year. If payment is not made, the interest rate will increase to 18%.
2. The Fund reduced its total balance due by \$1,753,312 in forgiveness of that portion of the debt in the form of a discount on the balance due.
3. The Fund converted \$7,309,816 of the total balance due into preferred stock and additional paid in capital.
4. The new secured redeemable debenture is cross collateralized and indemnified by the Company and all of its subsidiaries and variable interest entities.

Securities Purchase Agreement

On September 30, 2011, the Company signed an amended Securities Purchase Agreement for receivables financing. Under this agreement, the parties shall consolidate and restructure the Debentures by amending and restating the terms set forth and the related transaction instruments, which such instruments shall reflect the aggregate principal, interest and other fees owed by the Company as of the date hereof and which also reflect amounts previously funded by the Lender to the Company: a \$2,000,000 Convertible Debenture,

On December 30, 2012, the agreement was amended with the following:

1. The amendment provides for the (i) the extension of the maturity dates for the Debenture as reflected in the Repayment schedule; (ii) the removal of the equity conversion rights in the outstanding debentures.
2. Cmark International, Inc. will reduce the number of authorized shares to 250,000,000 by amending the Articles of Incorporation.
3. CMARK International, Inc. agrees to issue 25,000,000 shares of Common stock to Trafalgar free of any liens, encumbrances, restrictions or liabilities.
4. Majority shareholder agrees to transfer 8,000,000 shares to Trafalgar reducing his ownership to 56,260,000 shares.

All secured convertible debentures were reviewed by management to determine if the embedded conversion rights qualified as derivatives under ASB Topic 815 “Accounting for Derivative Instruments and Hedging Activities” and related interpretations. Management determined the embedded conversion features were not derivatives since the debt qualifies as conventional convertible debt until such time that the Company’s stock begins trading on the Over the Counter Bulletin Board at which time the conversion price becomes variable. Management also determined that the changes in the debentures principal balance due to changes in the foreign currency exchange rates are ascribed to the host contract only, and accordingly, are accounted for under ASC Topic 830, “Foreign Currency Translation” and do not cause derivative treatment of the debentures. Accordingly each convertible instrument is reflected as one combined instrument in the accompanying financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CMARK INTERNATIONAL, INC.

December 31, 2012

NOTE H – SECURED REDEEMABLE DEBENTURES – continued

The secured debenture is due in a balloon payment on January 21, 2015 in the amount of \$2,933,915 including interest of \$433,915.

NOTE I – CAPITAL LEASE OBLIGATIONS

Lease transactions relating computer and copier equipment are accounted for as capital leases under ASC Topic 840. Capital lease obligations reflect the present value of future rental payments, less an interest amount implicit in the lease. A corresponding amount is capitalized as equipment and depreciated over the individual asset's estimated useful life.

At December 31, 2012 future capital lease payment are as follows:

2012	\$ 15,100
2013	17,200
2014	19,100
2015	20,300
2016	<u>25,800</u>
	<u>\$ 97,500</u>

NOTE J – ACQUISITION OF SUBSIDIARY

The Company formed a wholly owned subsidiary CMARK Technologies, Inc. for the sole purpose of acquiring through an asset purchase the companies of Secure Fortress, ple, a company incorporated in England, Fortress USA, a Delaware corporation and a wholly owned subsidiary of Secure Fortress, SF1 Ltd, a company organized under the laws of the United Kingdom and a wholly owned subsidiary of Secure Fortress and Zephyr Communications, Inc, a Washington corporation and a wholly owned subsidiary of SF1. CMARK Technologies, Inc. acquired a patent for secure cable connections valued at \$1,463,000 and furniture and equipment valued at \$100,000. The Company also acquired certain secured debentures to Trafalgar Capital Specialized Investments Fund in the amount of \$995,850 in the transaction. The Company issued 7,000,000 Series A convertible preferred stock to Trafalgar Capital Specialized Investment Fund. CMARK Technologies, Inc. is still in the development phase and has not begun operations. Certain acquisition costs have been capitalized and are being amortized over 5 years. Ongoing operational expenses such as payroll and other operating costs are expensed as incurred. The cost of the patent is being amortized over 10 years and the carrying value of the patent is tested for impairment on an annual basis.

See Note I and L.

NOTE K – SHORT TERM DEBT

The Company entered into three separate secured debentures on August 3, August 16, and September 26, 2011 for a total of \$500,000. The debt was refinanced on December 30, 2012. The balance at December 31, 2012 was zero. See Note H.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CMARK INTERNATIONAL, INC.

December 31, 2012

NOTE L – CONVERTIBLE PREFERRED STOCK

Series A

The Company issued 7,000,000 shares of redeemable Series A convertible preferred stock in the acquisition of CMARK Technologies, Inc. on February 28, 2009. Each share has a stated value of \$0.10 adjusted annually to reflect the valuation of the business of CMARK Technologies, Inc. at 3.5x the earnings before interest and depreciation. The stated value is to be determined by subtracting the value of the Trafalgar obligations related to CMARK Technologies at the time of such calculation from the valuation amount and then dividing such amount by the number of Series A preferred shares then issued and outstanding. At December 31, 2012, the stated value is equal to the issuance value of zero. There have been no earnings in CMARK Technologies as of December 31, 2012.

The Company issued 7,000,000 shares of redeemable Series A convertible preferred stock in the restructuring of the secured redeemable debentures on September 30, 2011. Each share has a stated value of \$0.0001 adjusted annually to reflect the valuation of the business of CMARK Construction. At December 31, 2012, the stated value is equal to the issuance value of zero.

Each share of Series A Preferred Shares shall be convertible, at the option of the holder thereof, at any time after the eighteen month anniversary of the date of issuance on a pro rata, quarterly basis over the course of forty-two consecutive months. The Conversion price shall be equal to the volume weighted average price of the common stock for the ten trading days immediately preceding the date of the holder's irrevocable written notice of conversion.

Series B

The Company issued 350,000 shares of redeemable Series B convertible preferred stock on July 31, 2009 in connection with and in partial consideration for the issuance by the Company's subsidiary CMARK Technologies, Inc. to Trafalgar Capital Specialized Investment Fund of a secured redeemable debenture. Each share has a stated value of \$0.0001 per share adjusted annually to reflect the valuation of the business CMARK Technologies, Inc. At December 31, 2012, the stated value is equal to the issuance value of zero. There have been no earnings in CMARK Technologies as of December 31, 2012.

NOTE M – FACTORING AGREEMENT

Pursuant to a factoring agreement, Goodman Factors, LTD acts as the Company's factor for a majority of its receivables, which are assigned on a pre-approved basis. At December 31, 2012 the factoring charge amounted to 1.85% of the receivables assigned. The Company's obligations are collateralized by all of the Company's accounts receivables and equipment. The advances for factored receivables are made pursuant to a revolving credit and security agreement which is renewed annually. The agreement is subordinated to the subordinated debentures owned by Trafalgar Specialized Investment Fund. See Note H. The balance at December 31, 2012 is \$188,033.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CMARK INTERNATIONAL, INC.

December 31, 2012

NOTE N - FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

ASB Topic 820 establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under ASB Topic 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2 - Inputs to the valuation methodology include

1. Quoted prices for similar assets or liabilities in active markets;
2. Quoted prices for identical or similar assets or liabilities in inactive markets;
3. Inputs other than quoted prices that are observable for the asset or liability;
4. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The Company uses the following methods and assumptions to estimate the fair value of each class of financial statements for which it is practicable to estimate such value:

Cash and short term investments - The carrying amount approximates fair value because of the short maturity of those instruments. (Level 1)

Accounts receivable - The carrying value of accounts receivable approximates fair value due to their short term nature and historical collectibility. (Level 1)

Accounts payable - the carrying value of accounts payable approximates fair value due to the short-term nature of the obligations. (Level 1)

Secured redeemable debentures - The fair value of the Company's debt is estimated by using rates currently available for debt with similar terms and remaining maturities. (Level 1)

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Company believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CMARK INTERNATIONAL, INC.

December 31, 2012

NOTE N - FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS - continued

The following table sets forth by level, within the fair value hierarchy, the Company's assets and secured debentures at fair value as of December 31, 2012:

	Assets at Fair Value as of December 31, 2010			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash	\$ 123,709	\$ --	\$ --	\$ 123,709
Accounts receivable	428,288	--	--	428,288
Secured debentures	<u>--</u>	<u>--</u>	<u>2,500,000</u>	<u>2,500,000</u>
Total assets at fair value	<u>\$ 551,997</u>	<u>\$ --</u>	<u>\$ 2,000,000</u>	<u>\$ 3,051,997</u>

Level 3 Gains and Losses:

The following table sets forth a summary of changes in the fair value of the Company's level 3 assets for the year ended December 31, 2012:

Balance, beginning of the year	\$ 2,000,000
Purchase, issuance and settlements (net)	<u>500,000</u>
Balance, end of year	<u>\$ 2,500,000</u>

NOTE O - COMMITMENTS

Internal Accounting Controls

In connection with certain of the Securities Purchase Agreements entered into during 2011 and 2012, as further described in Note I above, the Company represented to the buyer that a system of internal control was maintained sufficient to provide reasonable assurance that (i) transactions are recorded in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability, and (iii) the recorded amounts for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

Comments concerning the existence of material weaknesses in the internal controls are communicated to the Board of Directors.

Operating Leases

The Company leases office space in locations in South Carolina under non-cancellable month to month operating leases. Rent expense was \$52,000. Future commitments pursuant to the leases as of December 31, 2012 are set forth below:

2012	<u>\$ 50,000</u>
------	------------------

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

CMARK INTERNATIONAL, INC.

December 31, 2012

NOTE P - STOCK BASED COMPENSATION

On January 1, 2006 the Company's board of directors established and made effective the Employees and Consultants Stock Compensation Plan" (2006 plan). The 2006 plan provides for the direct award or sale of shares and for the grant of options to purchase shares. The 2006 plan is intended to comply with all aspects of the Rule 16.3 under the exchange act and qualifies under Section 422 of the Internal Revenue Code.

The value of employee and non-employee stock warrants granted during the year ended December 31, 2012 was estimated using the Black-Scholes model with the following assumptions. There were no grants during 2012.

Expected volatility (based on Historical volatility)	162%
Weighted average volatility	162%
Expected dividends	0.00
Expected term in years	10
Risk free rate	4.54%

The expected volatility assumption was based upon historical stock prices volatility measured on a daily basis. The risk free interest rate assumption is based upon U.S. Treasury bond interest rates appropriate for the term of the Company's employee stock options. The dividend yield assumption is based on the history and expectation of dividend payments.

Employee Stock Options

A summary of the options granted to employees under the plan and changes during the year is presented below:

Balance at January 1, 2012	1,375,000
Granted	--
Exercised	--
Forfeited or expired	--
Balance at December 31, 2012	<u>1,375,000</u>
Exercisable at December 31, 2012	<u>537,500</u>

On April 28, 2006, the board of Directors granted to several employees 1,725,000 stock options with an exercise price of \$0.03 per share. The options will expire ten years from the grant date and have an immediate vesting of 25%, and the remaining 75% cliff vest at 25% on each grant date anniversary over the next three years. At December 31, 2012, the options were 100% vested.

The Company has been reliant upon one significant lender, Trafalgar Capital Specialized Investment Fund. The Company borrowed and repaid various amounts during 2012 with convertible debentures of \$2,500,000 due on January 21, 2015.

NOTE R – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 8, 2013, the date which the financial statements were available to be issued.

On January 25, 2013, the Company issued 25,000,000 shares to Trafalgar Capital Specialized Investment Fund. The majority shareholder also transferred 8,000,000 shares of stock to Trafalgar Capital Specialized Fund increasing their percentage of ownership to 35.9 percent. The majority shareholder's percentage of ownership dropped from 48.7 percent to 35.8 percent.

CMARK INTERNATIONAL INC
AND SUBSIDIARIES
SUPPLEMENTARY INFORMATION
CONSOLIDATING BALANCE SHEETS
For the year ended December 31, 2012

	<u>CMARK International</u>	<u>CMARK Technologies</u>	<u>CMARK Construction</u>	<u>Eliminations and Adjustments</u>	<u>Consolidated</u>
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	\$ 1,394	\$ -	\$ 122,315	\$ -	\$ 123,709
Contracts receivable	20,058	-	408,230	-	428,288
Other receivables	50,407	-	-	-	50,407
Due from affiliates	1,006,275	-	824,397	(1,830,672)	-
Prepaid Expenses	-	-	2,083	-	2,083
Work in progress inventory	-	-	392,673	-	392,673
Total current assets	<u>1,078,134</u>	<u>-</u>	<u>1,749,698</u>	<u>(1,830,672)</u>	<u>997,160</u>
PROPERTY AND EQUIPMENT - net	-	20,800	384,535	-	405,335
NON-CURRENT ASSETS					
Deposits	-	-	-	-	-
Patents, less amortization	-	877,800	-	-	877,800
Organization costs, less amortization	-	8,055	-	-	8,055
Investments in affiliates	110,000	-	-	(110,000)	-
	<u>110,000</u>	<u>885,855</u>	<u>-</u>	<u>-</u>	<u>885,855</u>
	<u>\$ 1,188,134</u>	<u>\$ 906,655</u>	<u>\$ 2,134,233</u>	<u>\$ (1,940,672)</u>	<u>\$ 2,288,350</u>

LIABILITIES AND STOCKHOLDERS' DEFICIT

CURRENT LIABILITIES

Accounts payable - trade	\$ 1,461,248	\$ -	\$ 1,290,289	\$ -	\$ 2,751,537
Accrued expenses	110,224	-	275	-	110,499
Accrued payroll and taxes	16,059	-	-	-	16,059
Shareholder loan payable	8,806	-	1,102	-	9,908
Due to affiliate	824,397	1,006,275	16,351	(1,830,672)	16,351
Factoring credit line	-	-	188,033	-	188,033
Capital lease-current maturities	15,100	-	-	-	15,100
Billings in excess of costs and estimated earnings on uncompleted contracts	308,035	-	131,400	-	439,435
Total current liabilities	<u>2,743,869</u>	<u>1,006,275</u>	<u>1,627,450</u>	<u>(1,830,672)</u>	<u>3,546,922</u>

LONG TERM LIABILITIES

Deferred income tax	-	-	144,950	-	144,950
Capital lease	82,400	-	-	-	82,400
Secured debentures	2,500,000	-	-	-	2,500,000
	<u>2,582,400</u>	<u>-</u>	<u>144,950</u>	<u>-</u>	<u>2,727,350</u>

STOCKHOLDERS' DEFICIT

Capital Stock-Common	20,705	-	480	(480)	20,705
Paid-in capital in excess of par	14,618,992	867,150	109,520	(109,520)	15,486,142
Accumulated deficit	(20,384,447)	(1,166,355)	120,880	-	(21,429,922)
Other comprehensive income	1,606,615	199,585	-	-	1,806,200
Noncontrolling interest	-	-	130,953	-	130,953
Accumulated other comprehensive income	-	-	-	-	-
	<u>(4,138,135)</u>	<u>(99,620)</u>	<u>361,833</u>	<u>(110,000)</u>	<u>(3,985,922)</u>
	<u>\$ 1,188,134</u>	<u>\$ 906,655</u>	<u>\$ 2,134,233</u>	<u>\$ -</u>	<u>\$ 2,288,350</u>

See notes to the financial statements.

**CMARK INTERNATIONAL INC
AND SUBSIDIARIES
SUPPLEMENTARY INFORMATION
CONSOLIDATING STATEMENT OF EARNINGS AND COMPREHENSIVE INCOME
For the Year ended December 31, 2012**

	<u>CMARK International</u>	<u>CMARK Technologies</u>	<u>CMARK Construction</u>	<u>Eliminations and Adjustments</u>	<u>Consolidated Income</u>
Contract revenues earned	\$ 268,571	\$ -	\$ 4,247,057	\$ -	\$ 4,515,628
Cost of contract revenues earned	<u>152,741</u>	<u>-</u>	<u>3,718,275</u>	<u>-</u>	<u>3,871,016</u>
Gross profit (loss)	115,830	-	528,782	-	644,612
Management fee revenue	360,000	-	-	(360,000)	-
General and administrative expenses	<u>872,941</u>	<u>48</u>	<u>533,916</u>	<u>(360,000)</u>	<u>1,046,905</u>
Income (loss) from operations	<u>(397,111)</u>	<u>(48)</u>	<u>(5,134)</u>	<u>-</u>	<u>(402,293)</u>
Other income and (expense):					
Depreciation and amortization expense	-	163,000	86,580	-	249,580
Interest expense	<u>1,706</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,706</u>
	1,706	163,000	86,580	-	251,286
Income (loss) before noncontrolling interest and taxes	(398,817)	(163,048)	(91,714)	-	(653,579)
Income tax reversal (expense)	<u>(6,000)</u>	<u>-</u>	<u>28,966</u>	<u>-</u>	<u>22,966</u>
Income (loss) before noncontrolling interest	<u>(404,817)</u>	<u>(163,048)</u>	<u>(62,748)</u>	<u>-</u>	<u>(630,613)</u>
Noncontrolling interest	<u>-</u>	<u>-</u>	<u>(32,629)</u>	<u>-</u>	<u>(32,629)</u>
Net Income	<u>\$ (404,817)</u>	<u>\$ (163,048)</u>	<u>\$ (30,119)</u>	<u>\$ -</u>	<u>\$ (597,984)</u>

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

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

- A. A description of the issuer's business operations:CMARK International, Inc. provides facility and logistics support services to government and commercial institutions, including facility envelope services including construction and design and, facility interior products support services including installation, design, and project management.

The company also provides a full product line of furnishings, fixtures and equipment to these institutions including several private label products. The development of many of these private brands as well as methodology of offering these to the marketplace is important in the company's overall operation.

In addition the company provides some logistic support products such as food and beverage products, and some retail products

CMARK combines an extensive, yet cohesive, product line along with superior servicing capabilities and has worldwide application knowledge of a variety of government and commercial facility applications. These capabilities extend to military bases, hospitals, prisons, schools, office buildings, embassies, and military vessels. Through a wide range of products and services, CMARK provides a one-stop, full-service solution

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

June 2000 / South Carolina

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

423990

- D. the issuer's fiscal year end date;

12/31/2012 and each December 31st

- E. principal products or services, and their markets;

Furnishings, Fixtures and Equipment for Commercial Structures in addition to some facility envelope design and some logistics support products such as food products and maintenance services

7) Describe the Issuer's Facilities

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

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

The issuer leases office space at 9570 Two Notch Road, Suite 4, Columbia, SC 29223l Approximately 4,500 square feet.

It owns the furniture and office equipment at this location.

Some of the space at this location is used as storage space for records and demo equipment owned by issuer.

Two storage units are also leased at Monster Storage, 9700 Two Notch Road, Columbia, SC 29223. Demo equipment and records are stored at this location; also includes parking space for two mobile kitchens. The issuer also has approximately 500 sf of storage space in Mobile, AL for demo equipment and records.

8) Officers, Directors, and Control Persons

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

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

Charles W. Jones, Jr. – Chairman, President and Chief Executive Office

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

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

N/A

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

N/A

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

N/A

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

N/A

- 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.

Charles William Jones, Jr.
60 Mallet Hill Road
Columbia, SC 29223
56,260,000 Shares

Trafalgar Capital Specialized Investment Fund
Rue Thomas Edison 4 L – 1445
Luxembourg-Strassen
25,000,000 Shares

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

Name: John F. Hanzel
Firm: John F Hanzel, P.A.
Address 1: 19425 G Liverpool Parkway
Address 2: Cornelius, NC 28031
Phone: 704-892-1375
Email: jfh@nclawoffice.com

Accountant or Auditor

Name: Holly Kyle
Firm: Kyle and Company, PC
Address 1: 1922 Barnwell Street
Address 2: Columbia, SC 29223
Phone: 803-779-2885
Email: holly@kyleandcompany.com

Investor Relations Consultant

Name: Michael J. Bongiovanni
Firm: Greentree Financial
Address 1: 19720 Jetton Road, 3rd Floor Penthouse
Address 2: Cornelius, NC 28031
Phone: (704) 892-8733
Email: mikebongiovanni@msn.com

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

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

10) Issuer Certification

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

The certifications shall follow the format below:

I, Charles W. Jones, Jr. certify that:

1. I have reviewed this OTC Annual Report for year ending 2012 of CMARK International;
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.

04/15/2013 [Date]

 [CEO's Signature]

_____ [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

_____ [Title]