

METAPOWER INTERNATIONAL, INC.
CONSOLIDATED BALANCE SHEET

	March 31, 2014	Audited December 31, 2013
ASSETS		
Current assets:		
Cash	\$ 24,013	\$ 405,608
Accounts receivable	249,395	250,142
Prepaid assets	10,000	10,000
Income taxes receivable, net of payable	34,852	55,251
Deferred tax asset, net of liability - current portion	54,742	75,491
Total Current assets	373,002	796,492
Property and equipment, net (note 4)	125,934	141,264
Other assets:		
Deferred tax asset, net of liability - long term portion (note 11)	155,384	170,717
Employee advance	-	10,000
Total Other assets	155,384	180,717
Total Assets	\$ 654,320	\$ 1,118,473
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable and accrued expenses	\$ 1,251,001	\$ 1,276,646
Leases payable	10,806	13,720
Credit card payable	26,107	10,458
Accrued interest	43,682	44,379
Other current payable	-	50
Deferred revenue	42,773	-
Canadian GST and withholding taxes payable	189,774	153,444
Convertible notes payable	135,000	135,000
Current portion of note payable	4,293	4,167
Current portion of related party notes payable	183,800	360,356
Total Current liabilities	1,887,236	1,998,220
Non-current liabilities:		
Other long term payables	132,653	58,014
Other long term related party payables	38,900	38,900
Note payable	27,136	28,257
Related party notes payable (note 7)	510,862	553,374
Back pay (note 5)	445,686	485,092
Total Non-current liabilities	1,155,237	1,163,637
Shareholders' Equity:		
Common stock, \$.00001 par value, 2,200,000,000 shares authorized; and 1,968,240,013 shares issued and outstanding	19,682	19,682
Additional paid-in capital	109,012	109,012
Cumulative foreign currency translation adjustment	(137,960)	(125,654)
Accumulated deficit	(2,378,887)	(2,046,424)
Total Shareholders' equity	(2,388,153)	(2,043,384)
Total Liabilities and Shareholders' Equity	\$ 654,320	\$ 1,118,473

The accompanying notes should be read in conjunction with the consolidated financial statements.

METAPOWER INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the 3 months ending March 31,	
	2014	2013
Sales	\$ 3,189,735	\$ 4,069,263
Cost of sales	2,437,505	3,167,463
Gross profit	752,230	901,800
Costs and expenses:		
General and administrative	520,955	363,259
Marketing	170,959	109,785
Research and development	288,661	382,241
Depreciation and amortization	15,526	11,665
	996,101	866,950
Income/(Loss) from operations	(243,871)	34,850
Other income/(expense)		
Interest expense	(16,964)	(15,630)
Penalties	-	(99)
Loss on disposal of assets	(596)	-
Loss on foreign currency transactions	(18,528)	(4,886)
Other income/(expense)	2,470	45,127
	(33,618)	24,512
Income/(loss) before taxes	(277,489)	59,362
Income tax expense	(18,892)	(30,339)
Provision for income taxes	(36,082)	6,241
	(54,974)	(24,098)
Net income/(loss)	(332,463)	35,264
Other comprehensive income/(loss)		
Foreign currency translation adjustment	(12,306)	(7,692)
Comprehensive Net Income/(Loss)	\$ (344,769)	\$ 27,572
Income/(Loss) per common share		
Basic and diluted	\$ (0.01)	\$ 0.01
Weighted average common shares outstanding		
Basic and diluted	1,968,240,013	1,968,240,013

The accompanying notes should be read in conjunction with the consolidated financial statements.

METAPOWER INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
FOR THE QUARTERS ENDING MARCH 31, 2014 AND 2013

	MetaPower International Inc. Series A & B Preferred Stock		MetaPower International Inc. Common Stock		Additional Paid-in Capital	Cumulative Translation Adjustment	Retained Earnings (Deficit)	Total Shareholders' Equity
	Shares	Amount	Shares	Amount				
Balance at December 31, 2012	-	\$ -	1,968,240,013	\$ 20,398	\$ 108,296	\$ (104,899)	\$ (2,083,907)	\$ (2,060,112)
Comprehensive income (loss):								
Net income (loss)							35,264	\$ 35,264
Currency translation adjustment						(7,692)		\$ (7,692)
Balance at March 31, 2013	-	-	1,968,240,013	20,398	108,296	(112,591)	(2,048,643)	(2,032,540)
<hr/>								
Balance at December 31, 2013	-	-	1,968,240,013	19,682	109,012	(125,654)	(2,046,424)	(2,043,384)
Comprehensive income (loss):								
Net income (loss)							(332,463)	\$ (332,463)
Currency translation adjustment						(12,306)		\$ (12,306)
Balance at March 31, 2014	-	\$ -	1,968,240,013	\$ 19,682	\$ 109,012	\$ (137,960)	\$ (2,378,887)	\$ (2,388,153)

The accompanying notes should be read in conjunction with the consolidated financial statements.

METAPOWER INTERNATIONAL, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the 3 months ending March 31,	
	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income/(loss)	\$ (332,463)	\$ 35,264
Adjustments to reconcile net income to net cash used in operating activities:		
Depreciation and amortization expense	15,526	11,665
Loss on disposition of property and equipment	(596)	-
Change in operating assets and liabilities:		
Accounts receivable	747	(328,804)
Prepaid assets	-	310
Income taxes receivable, net of payable	20,399	
Deferred tax asset, net of liability	36,082	(6,241)
Other assets - employee advance	10,000	-
Accounts payable and accrued expenses	(25,645)	8,718
Leases payable	(2,914)	(2,914)
Credit card payable	15,649	6,456
Accrued interest	(697)	(626)
Other current payable	(50)	-
Deferred revenue	42,773	-
Foreign tax payable	36,330	(18,827)
Other long term payables	74,639	-
Back pay	(12,669)	-
NET CASH USED IN OPERATING ACTIVITIES	(122,889)	(294,999)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of equipment and other assets	(3,755)	(4,372)
Proceeds from sale of equipment and other assets	4,155	-
NET CASH PROVIDED (USED) IN INVESTING ACTIVITIES	400	(4,372)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on notes payable	(995)	(5,186)
Additional borrowings from related party	110,000	412,889
Payments on related party notes payable	(329,068)	(21,277)
Payments on back pay	(26,737)	(442,071)
Affects from currency translation	(12,306)	(7,692)
NET CASH USED FROM FINANCING ACTIVITIES	(259,106)	(63,337)
NET INCREASE (DECREASE) IN CASH	(381,595)	(362,708)
CASH AT BEGINNING OF PERIOD	405,608	543,249
CASH AT END OF PERIOD	\$ 24,013	\$ 180,541
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Cash paid during the period for:		
Income taxes	\$ 1,874	\$ 30,339
Interest	\$ 17,661	\$ 13,838

The accompanying notes should be read in conjunction with the consolidated financial statements.

MetaPower International, Inc.
Notes to the Consolidated Financial Statements
For the quarters ending March 31, 2014 and 2013

1. Nature of the Business

MetaPower International, Inc. (the "Company") provides management consulting services to assist companies in business process management. The Company also has developed a software product ("UCoDA") for use in business process management with the ability to implement, track, and improve any number of business processes.

The Company was formed as a result of a share exchange agreement (the "share exchange") entered into on March 2, 2007 by and between an entity then called Soy Environmental Products, Inc., a Delaware corporation ("Soy"), and MetaPower, Inc., an Oregon corporation (the "Predecessor"). Under the terms of the Share Exchange, Soy acquired all of the stock of the Predecessor. Soy's name was subsequently changed to MetaPower International, Inc. The Share Exchange was accounted for as a reverse merger, as the stockholders of MetaPower, Inc. owned a majority of the outstanding shares of common stock following the Share Exchange and controlled the Board of Directors of the Company. As a result of the Share Exchange, the Predecessor is the wholly owned subsidiary of the Company.

MetaPower International, Inc. is deemed to be the accounting acquirer in the reverse merger. Consequently, the assets and liabilities of MetaPower International, Inc. are recorded at their historical cost basis. The financial statements include the assets and liabilities of the Predecessor, the historical operations of the Predecessor, and the Company's operations from the date of the Share Exchange.

2. Summary of Significant Accounting Policies

a. Reclassifications

Prior period financial statement amounts have been reclassified to conform to the current period presentation.

b. Estimates and Assumptions

The preparation of consolidated financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Among the significant estimates impacting the financial statements are those related to income taxes and valuation of equity instruments.

c. Principles of Consolidation

The Company and its related subsidiaries MetaPower, Inc. ("MPI") and MetaPower Canada, LTD. ("MPC") are shown as consolidated equals on the financial statements for the periods ending March 31, 2014 and December 31, 2013. All significant intercompany accounts and transactions have been eliminated in consolidation.

d. Recent Accounting Pronouncements

In February 2013, the FASB issued ASC Update No. 2013-02 "Comprehensive Income Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income (Topic 220)", which amends ASC Topic 220. The amendments require an entity to provide information about the amounts

reclassified out of accumulated other comprehensive income ("AOCI") by component. In addition an entity is required to present either on the face of the Statement of Income or in the Notes to the Consolidated Financial Statements significant amounts reclassified out of AOCI and should be provided by the respective line items of net income but only if the amount reclassified is required under GAAP to be reclassified in its entirety to net income in the same reporting period. For other amounts that are not required under GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required under GAAP that provide additional detail about these amounts. The changes to the ASC as a result of this updated guidance are effective for annual and interim reporting periods beginning after December 15, 2012. The adoption of ASU No. 2013-02 does not have a material effect on the Company's Consolidated Financial Statements.

e. Accounting Standards Codification

The Company follows accounting standards set by the Financial Accounting Standards Board (the "FASB"), which establishes generally accepted accounting principles ("GAAP") that are followed in reporting financial condition, results of operations, and cash flows. References to GAAP issued by the FASB in these notes are to the *FASB Accounting Standards Codification*, referred to as the Codification or ASC. The Codification replaced and incorporated (but did not change) accounting guidance previously issued by various accounting sources through specific pronouncements.

f. Concentration of Credit Risk

The Company performs services for customers in the United States and Canada. For the quarters ending March 31, 2014 and 2013, international sales primarily to a single customer in Canada, accounted for approximately 95.3% and 97.49% of total sales, respectively. Amounts receivable from this customer at March 31, 2014 and 2013 account for 93.4% and 83.49% of total accounts receivable, respectively. Management believes that the risk of loss on its accounts receivable is minimal, due to this client being associated with the Company since inception and having always shown a propensity to remit payment in a timely matter with no history of denying payment. Therefore, no allowance for doubtful accounts has been recorded.

Financial instruments that potentially subject the Company to concentrations of credit risk consist of temporary cash investments. The Company periodically maintains balances in excess of the federally insured limit set by the FDIC for cash in USD and the CDIC for cash in CAD. Management is aware and accepts a slight risk in being overbalanced with respect to the \$250,000 USD threshold set by the FDIC and the \$100,000 CAD threshold set by the CDIC.

g. Revenue Recognition

The Company recognizes revenue in accordance with Staff Accounting Bulletin No. 104, "Revenue Recognition in Financial Statements". This statement established that revenue can be recognized when persuasive evidence of an arrangement exists, the services have been delivered, all significant contractual obligations have been satisfied, the fee is fixed or determinable and collection is reasonably assured. Revenues are earned from consulting projects based on the time incurred and out of pocket reimbursable expenses incurred on each project. The Company invoices its largest Canadian client daily as the services are performed under each contract.

For some clients, the Company issues invoices in advance of work performed, creating a deferred revenue liability reported on the balance sheet. The Company recognizes revenue for work performed over the life of the contract on a monthly basis. Deferred revenue of \$42,773 and \$0 was recognized at March 31, 2014 and 2013, respectively.

h. Cash and Cash Equivalents

For purposes of the Statement of Cash Flows, the Company considers all highly liquid investment instruments with an original maturity of three months or less to be cash equivalents. For consolidation

and reporting purposes, all amounts noted in the financial statements and footnotes are reflected in USD.

i. Foreign Currency Translation and Revaluation

The primary business structure of the related subsidiary, MetaPower Canada, LTD., is such that the functional currency is CAD; however the reporting currency is USD. All assets and liabilities denominated in foreign currencies are translated at the exchange rate on the balance sheet date. Revenues, costs and expenses are translated using an average of the rates of exchange prevailing on the last day of the three months of the quarter. Balance sheet translation adjustments are reported in other comprehensive income as a part of Stockholder's Equity. An end of year income adjustment to Canadian net income is made to state Canadian net income in USD; this charge is reported as a function of exchange gain/(loss) on the Consolidated Statements of Operations. This charge is made to have consolidated net income roll forward properly in retained earnings from year to year.

j. Research and Development

Research and development costs are expensed as incurred until such time that the Company has deemed that it has a viable product, at which point these costs will be capitalized.

k. Income Taxes

The Company accounts for income taxes using the asset and liability method. 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 and net operating loss and credit carry forward. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be reversed or settled.

The Company establishes liabilities or reduces assets for uncertain tax positions when the Company does not believe that it is more likely than not that certain tax positions may be capable of being sustained upon audit. The amount recognized is measured as the largest amount of benefit that is greater than 50 percent likely of being realized upon ultimate settlement. A liability is recorded for the difference between the benefit recognized within the financial statements and the tax position taken or expected to be taken on the tax return. To the extent that the assessment of such tax position changes, the change in estimate is recorded in the period in which the determination is made.

3. Net Income (loss) Per Share

Basic net income (loss) per share is computed using the weighted average number of common shares outstanding during the year. Diluted net income (loss) per share is computed using the weighted average number of common shares outstanding and, where dilutive, the assumed conversion of series A preferred stock and convertible notes into common stock. Following is a reconciliation of the shares used in computing basic and diluted net income (loss) per share for the quarters ending March 31, 2014, and 2013:

	<u>2014</u>	<u>2013</u>
Shares used in computing basic and dilutive income (loss) per share	1,968,240,013	1,968,240,013
Net Income/(Loss)	(\$ 332,463)	\$ 35,264
Gain/(Loss) per Share – Basic and Diluted	(\$ 0.01)	\$ 0.01

4. Property and Equipment

Depreciation of property and equipment is provided using the straight-line method over the following estimated useful lives:

Computer equipment and software	1 – 3 years
Furniture and fixtures	5 years

The specific breakout of the Company's fixed asset listing and accompanying accumulated depreciation and amortization schedules for the quarter ending March 31, 2014 and the year ending December 31, 2013 is as follows:

Quarter ending March 31, 2014:

Fixed Asset Listing		Net Value
Computer Software	\$ 37,956	
Less: Accumulated Depreciation	(10,214)	\$ 27,742
Computers	69,125	
Less: Accumulated Depreciation	(40,096)	29,029
Office Furniture	8,617	
Less: Accumulated Depreciation	(1,293)	7,324
Office Equipment	1,709	
Less: Accumulated Depreciation	(505)	1,204
Data Center	108,307	
Less: Accumulated Depreciation	(47,672)	60,635
Total Fixed Assets (net)		\$ 125,934

Year ending December 31, 2013:

Fixed Asset Listing		Net Value
Computer Software	\$ 163,763	
Less: Accumulated Depreciation	(133,189)	\$ 30,574
Computers	92,216	
Less: Accumulated Depreciation	(58,461)	33,755
Office Furniture	8,617	
Less: Accumulated Depreciation	(862)	7,755
Office Equipment	1,709	
Less: Accumulated Depreciation	(420)	1,289
Data Center	108,307	
Less: Accumulated Depreciation	(40,416)	67,891
Total Fixed Assets (net)		\$ 141,264

Depreciation and amortization expense for the quarters ending March 31, 2014 and 2013 was \$15,526 and \$11,665, respectively. The Company values the carrying cost of its assets at either lower of cost or market value. All assets currently listed as of March 31, 2014 and December 31, 2013 have been recorded at cash value of acquisition and no write down due to market conditions has taken place.

5. Back Pay for Current Officers and Former Employees

The Company has \$445,686 and 485,092 of back pay due at March 31, 2014 and December 31, 2013, respectively. These amounts do not bear interest and will be paid at such time as the Company has funds available to pay the obligations. The amounts due to current officers total \$352,376 and 366,563 at March 31, 2014 and December 31, 2013, respectively. The amounts due to former employees total \$93,310 and \$118,529 at March 31, 2014, and December 31, 2013, respectively. In relation to the back pay, the Company has accrued estimated payroll taxes and retirement plan expenses, which are reflected as other long term payables. The amount accrued with respect to these two items is \$74,639 and \$0 at March 31, 2014, and December 31, 2013, respectively.

6. Note Payable

The Company has a note payable to a former employee, in the amount of \$31,429 and \$32,424 due at March 31, 2014 and December 31, 2013, respectively. This note is an unsecured obligation. Cash paid for interest on this note during the first quarter of 2014 and 2013 was \$963 and \$1,066, respectively. Cash paid for principal payments during the first quarter of 2014 and 2013 was \$995 and \$892, respectively. This note accrues simple interest at 12% per annum, and has \$314 and \$324, of accrued interest outstanding at March 31, 2014 and December 31, 2013, respectively.

7. Related Party Notes Payable

Shareholder and Officer Notes Payable

The Company has notes payable to various officers, shareholders, and related parties amounting to \$694,662 and \$913,730 at March 31, 2014 and December 31, 2013, respectively. Cash paid for interest on these notes payable during the first quarter of 2014 and 2013 was \$16,698 and \$12,539, respectively. Additional borrowings occurred during the period ending March 31, 2014 that were paid off on a short-term basis. Cash paid for principal payments during the first quarter of 2014 and 2013 was \$329,068 and \$21,277 respectively. During the quarter ending March 31, 2013, a new note was issued to the spouse of the Company's former President, who passed away in the first quarter of 2013. The total amount transferred from Back Pay to a note payable was \$412,891. Simple interest accruing on these notes payable ranges from 3.25% to 12% per annum. These notes have \$2,962 and \$3,649 of accrued interest outstanding at March 31, 2014 and December 31, 2013, respectively. These notes are unsecured obligations. Total commitments on these notes for the five years subsequent to March 31, 2014 are as follows:

Year ending March 31:	Amounts due:
2015	\$ 183,800
2016	163,276
2017	125,889
2018	67,092
2019 and thereafter	<u>154,605</u>
Total	<u>\$ 694,662</u>

8. Convertible Notes Payable

The Company has convertible notes payable ("Convertible Notes") outstanding totaling \$135,000 at March 31, 2014 and December 31, 2013. The conversion ratio is calculated as the principal amount plus accrued interest of each note, divided by the conversion price then in effect. The Convertible Notes were mandatorily convertible into shares of common stock upon the Company's common shares becoming freely trading. Litigation was brought against the Company in 2010 against the validity of the

Convertible Notes and a settlement was tentatively agreed upon in October 2010. The tentative settlement calls for the Company to pay \$40,000 cash against these notes if such settlement is executed. The Company expects to recognize a gain against the balance of principal and accrued interest as debt forgiveness. Accrued interest on the Convertible Notes of \$40,406 is outstanding at March 31, 2014 and December 31, 2013.

9. Commitments and Contingent Liabilities

The Company leases its facilities under a non-cancellable operating lease expiring in May 2016. The total minimum lease commitments for the five years subsequent to March 31, 2014 are as follows:

Year ending March 31:	Amounts due:
2015	\$ 60,000
2016	60,000
2017	5,000
2018	-
2019 and thereafter	-
Total	<u>\$ 125,000</u>

10. Capital Stock

Preferred Stock

The rights, preferences, privileges and other matters relating to the Company's Series A and Series B Stock are as follows:

Dividends – The Series B Preferred Stock accrues dividends monthly at \$0.010833 per share of outstanding Series B Preferred Stock. The dividends are payable each month. The holders of Series A Preferred Stock participate equally with holders of the Company's Common Stock with respect to dividends, if and when declared by the Board of Directors. No dividends have been paid with respect to the Series A Preferred, Series B Preferred or Common Stock during the quarters ending March 31, 2014 and 2013.

Redemption – Each share of Series B Preferred Stock is redeemable at the option of the Company beginning after December 15, 2009. The redemption price is the original issuance price of the Series B Preferred Stock, amounting to \$1.00 per share at December 31, 2008. In January, 2012, the remaining 5,000 outstanding shares of Series A Preferred Stock were subjected to mandatory redemption. The Company also exercised its option to redeem all 200,000 shares of Series B Preferred stock during first quarter of 2012 and subsequently retired all shares. As a result of these actions, at this time there are no outstanding shares of either Series A Preferred Stock or Series B Preferred Stock.

Conversion – Each share of Series A Preferred Stock is convertible, at the option of the holder, at any time after March 15, 2009, into such number of shares of Common Stock as is determined by dividing the initial value of the Series A Preferred Stock (\$1.00 at issuance and December 31, 2008) by the conversion price in effect at the time of conversion. The conversion price is calculated based on the average closing bid price of the Company's Common Stock of the 10 trading days prior to the conversion. The Series B Preferred Stock is not convertible.

Liquidation – In the event of any liquidation, dissolution or winding up of the Company, either voluntary or involuntary, assets or funds would be distributed ratably to the Series A Preferred stockholders and Common stockholders.

Voting – The holder of each share of Series A Preferred Stock has the right to one vote for each whole share of Common Stock into which such holder’s shares of Series A Preferred Stock would be convertible on the record date for the vote.

Common Stock

No shares were issued or redeemed during the quarters ending March 31, 2014 and 2013.

11. Income Taxes

Income taxes are paid to the respective tax authorities in the segment’s functional currency. The corporate income tax rates for Canada and Alberta are 15% and 10%, respectively, for the quarter ending March 31, 2014 and year ending December 31, 2013, respectively.

The following is a summary of the Company’s income tax expenses for the quarters ending March 31, 2014 and 2013:

	March 31, 2014	March 31, 2013
Current tax expense:		
Federal	\$ 18,322	\$ 20,000
Provincial	-	11,824
State/Local	570	(1,485)
	<u>\$ 18,892</u>	<u>\$ 30,339</u>

The following is a summary of the Company’s deferred tax assets and liabilities at March 31, 2014 and December 31, 2013, respectively:

	March 31, 2014	December 31, 2013
Deferred Tax Asset	\$ 247,653	\$ 272,495
Deferred Tax Liability	(37,526)	(26,286)
	<u>\$ 210,127</u>	<u>\$ 246,209</u>
Current portion	\$ 54,742	\$ 75,491
Long-term portion	155,384	170,717
	<u>\$ 210,126</u>	<u>\$ 246,208</u>

Cash paid for interest on tax payments and other miscellaneous items was \$0 and \$233 for the quarters ending March 31, 2014 and 2013, respectively.

12. Revenue Reporting

During the quarters ending March 31, 2014 and 2013, the three individual companies had the following revenues in their individual segments, respectively:

	March 31, 2014	March 31, 2013
MetaPower Int’l, Inc.	\$ -	\$ -
MetaPower, Inc.	-	-
MetaPower Canada, LTD.	3,189,735	4,069,263
Grand Total	<u>\$ 3,189,735</u>	<u>\$ 4,069,263</u>

13. Related Party Transactions

Total cash disbursements made to shareholders, officers and directors in the quarters ending March 31, 2014 and 2013 was \$163,331 and \$138,137, respectively. Total reimbursable expenses paid to shareholders, officers and directors out of operations in the first quarters of 2014 and 2013 were \$16,905 and \$16,480 respectively.

14. Subsequent Events

On April 23, 2014, the Company announced staff layoffs as part of a restructuring at its Vancouver, WA headquarters. On May 5, 2014, the Company further announced details of these restructuring activities. This restructuring was a result of recent internal financial, marketing, technology, and operational review. This review indicated that the Company needed to “right-size” certain elements of its operation to coincide with expected future strategic efforts. As such, the restructuring activity primarily affected the Company's Product Development and Marketing & Sales Departments which had been engaged in activities that were nearing completion in support of the Company's recent upgrade of its UCoDA Business Process Management Platform and an anticipated roll-out of elements of the Company's software solutions.

Beginning May 1, 2014, Officers of the Company have suspended all payments against the notes payable due to them. The current plan is to postpone these payments through December 31, 2014.

The Company has discontinued engagement of an outside auditor to perform quarterly reviews of these statements.

Management has determined that there are no further events subsequent to the balance sheet date that should be disclosed in these financial statements.