

Financial Statements

O2 Secure Wireless, Inc. and Subsidiary

**September 30, 2014
(Unaudited)**

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

To the Board of Directors
O2 Secure Wireless, Inc.
1093 A1A Beach Blvd., #442
St. Augustine, Florida 32080

We have compiled the accompanying consolidated balance sheets of O2 Secure Wireless, Inc. (a Corporation) and Subsidiary as of September 30, 2014, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the nine months ended September 30, 2014 and 2013, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements information that is a representation of management. We have not audited or reviewed the accompanying consolidated financial statements and, accordingly, do not express an opinion or any other form of assurance on them.



Chamberlain & Associates, P.A.

12/31/14

O2 SECURE WIRELESS, INC. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS
(Unaudited)

<u>ASSETS</u>	<u>September 30, 2014</u>	<u>September 30, 2013</u>
Current Assets:		
Cash and cash equivalents	\$ (1,867)	\$ 309
Due from officers	69,887	58,395
Investments	35,898	32,718
Other current assets	8,400	400
Total Current Assets	112,318	91,822
Equipment, net	93,424	97,217
Intangibles, net	603,737	304,038
Goodwill	10,991,146	10,991,146
Other Assets	274,875	274,875
Total Assets	<u>\$ 12,075,501</u>	<u>\$ 11,759,098</u>
 <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current Liabilities:		
Accounts payable and accrued expenses	\$ 541,625	\$ 568,864
Notes payable	118,243	100,747
Convertible notes payable	55,625	60,000
Security Deposits	3,000	0
Total Current Liabilities	718,493	729,611
Long-Term Liabilities:		
Notes payable	257,113	82,625
Total Long-Term Liabilities	257,113	82,625
Stockholders' Equity:		
Common stock, no par value	16,089,620	15,638,120
Additional paid-in-capital	78,880	78,880
Retained deficit	(5,068,605)	(4,770,138)
Total Stockholders' Equity	11,099,895	10,946,862
Total Liabilities and Stockholders' Equity	<u>\$ 12,075,501</u>	<u>\$ 11,759,098</u>

See notes to unaudited consolidated financial statements

O2 SECURE WIRELESS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	YTD Twelve Months Ended September 30,		QTD Three Months Ended September 30,	
	2014	2013	2014	2013
Net Sales	\$ 36,010	\$ 92,800	\$ 10,120	\$ 439
Cost of Sales	26,284	9,305	13,295	2,436
Gross Margin	9,726	83,495	(3,175)	(1,997)
Operating Expenses:				
Legal and professional	53,291	44,419	26,563	6,260
Officers Compensation	75,000	0	-	0
Communications	1,966	4,279	996	477
Depreciation and amortization	79,093	4,886	38,510	1,221
Other	101,299	236,148	21,739	21,860
Total Expenses	310,649	289,732	87,808	29,818
Income (Loss) From Operations	(300,923)	(206,237)	(90,983)	(31,815)
Other Income (Expenses):				
Officer Salary	0	0	0	0
Interest expense	0	(5,608)	0	(3,800)
Rental Income	10,830	0	3,000	0
Loss on disposal of equipment	0	0	0	0
Total Other Income (Expense)	10,830	(5,608)	3,000	(3,800)
Net Loss	<u>\$ (290,093)</u>	<u>\$ (211,845)</u>	<u>\$ (87,983)</u>	<u>\$ (35,615)</u>

See notes to unaudited consolidated financial statements

O2 SECURE WIRELESS, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLDERS' EQUITY
For the Twelve Months Ended September 30, 2014
(Unaudited)

	Preferred Stock		Common Stock		Additional Paid in Capital	Retained Deficit	Total
	Shares	Amount	Shares	Amount			
Balance, September 30, 2013			5,603,634	\$ 15,638,120	\$ 78,880	\$ (4,770,138)	\$ 10,946,862
Common Stock Issued for Cash			0	0			0
Common Stock Issued for Services			6,933,333	367,000			367,000
Common Stock Issued for Convertible Notes Payable			3,510,180	85,000			85,000
Redemption			-	-			\$ -
Reverse stock split			-	0			0
Net Income (Loss)						(290,093)	(290,093)
Balance, June 30, 2014	0	0	16,047,147	\$ 16,090,120	\$ 78,880	\$ (5,060,231)	\$ 11,108,769

See notes to unaudited consolidated financial statements

O2 SECURE WIRELESS, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Sept 30, 2014	Sept 30, 2013
Cash Flows from Operating Activities:		
Net loss	\$ (290,093)	\$ (211,845)
Adjustments to reconcile net loss to net cash flows from operating activities:		
Stock option expense	0	0
Loss on disposal of equipment	0	0
Depreciation and amortization expense	79,093	4,886
Changes in operating assets and liabilities:		
Accounts receivable	0	(36,493)
Other assets	(19,492)	
Other current liabilities	(11,118)	(670)
Net Cash Flows from Operating Activities	(241,610)	(244,122)
Cash Flows from Investing Activities:		
Investments	(12,054)	(2,637)
Purchase of property and equipment	0	0
Proceeds from disposal of equipment	0	0
Increase in intangible assets	(375,000)	(300,000)
	0	0
Net Cash Flows from Investing Activities	(387,054)	(302,637)
Cash Flows from Financing Activities:		
Cash used to acquire new loan	0	0
Proceeds from issuance of stock	452,000	470,000
Proceeds from issuance of notes payable	174,488	67,625
Net Cash Flows from Financing Activities	626,488	537,625
Net Change in Cash and Cash Equivalents	(2,176)	(9,134)
Cash and Cash Equivalents, Beginning of Year	309	9,443
Cash and Cash Equivalents, End of Year	\$ (1,867)	\$ 309
 Cash Used For:		
Interest	\$0	\$11,319

See notes to unaudited consolidated financial statements

O2 SECURE WIRELESS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Twelve Months Ended September 30, 2014
(Unaudited)

A. Summary of Significant Accounting Policies:

Nature of Business:

O2 Secure Wireless, Inc., a Georgia Corporation, was established on October 29, 2003. The Entity designs and maintains high-speed wireless broadband connection networks for customers throughout the southeastern United States and specializes in wireless tower construction and lease operations. It is also being structured to provide flat rate prepaid wireless services in developing countries.

Principles of Consolidation:

The accompanying unaudited consolidated financial statements include the financial statements of O2 Secure Wireless, Inc. and its wholly-owned subsidiary, Earthcom Service, Inc. All significant transactions and balances between O2 Secure Wireless, Inc. and its subsidiary have been eliminated in consolidation.

Financial Statements:

The accompanying condensed financial statements have been prepared without audit or review. Certain information and disclosures required by the accounting principles generally accepted in the United States have been condensed or omitted. These condensed financial statements reflect all adjustments that, in the opinion of management, are necessary to present fairly the results of operations of the Entity for the periods presented.

Basis of Accounting:

The accompanying unaudited consolidated financial statements of the Entity have been prepared in accordance with accounting principles generally accepted in the United States of America.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition:

Revenues from network service operations and consulting services are recognized at the time the service is completed. Revenues from network component sales are recognized at the time the goods are shipped.

O2 SECURE WIRELESS, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Twelve Months Ended September 30, 2014

(Unaudited)

A. Summary of Significant Accounting Policies (continued):

Cash and Cash Equivalents:

The Entity considers all highly liquid investments purchased with a maturity of three months or less to be cash equivalents.

Concentration of Credit Risk:

Financial instruments that potentially subject the Entity to concentrations of credit risk consist principally of cash deposits in excess of federally insured limits and accounts and notes receivable. The Entity has not experienced any losses in such accounts. Cash was not in excess of insured limits at September 30, 2014.

Allowance for Doubtful Accounts:

The carrying amount of receivables is reduced by an allowance that reflects managements' best estimate of the amounts that will not be collected. Management reviews each receivable and, based on historical bad debt experience and managements' evaluation of credit worthiness, estimates that portion, if any, of the balance that will be collected. The Entity considers all accounts receivable to be fully collectible; accordingly, no allowance for doubtful accounts is required.

Goodwill:

Goodwill is recognized to the extent that the purchase price of the acquisition exceeds the estimated fair value of the net assets acquired. Goodwill is tested for impairment annually. If there is an impairment it would be charged to operations in the period such impairment is determined. During the twelve months ended September 30, 2014, there were no changes in the carrying amount of the goodwill. Goodwill is the result of the purchase price of the stock of Earthcom Service, Inc. in excess of the fair value of the assets acquired (see Note C).

Equipment:

Equipment is stated at cost. Expenditures for maintenance, repairs and minor renewals are charged to expense as incurred. Major renewals and betterments are capitalized. Depreciation and amortization are provided using the accelerated methods over the estimated useful lives of the assets, which is five years.

O2 SECURE WIRELESS, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Twelve Months Ended September 30, 2014

(Unaudited)

A. Summary of Significant Accounting Policies (continued):

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 and liabilities are measured using enacted tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statement of operations in the period that includes the enactment date. A valuation allowance is provided for deferred tax assets if it is more likely than not these items will either expire before the Entity is able to realize their benefits, or that future deductibility is uncertain. There were no current or deferred income tax expense or benefits for the year ended September 30, 2014.

The Entity's wholly-owned subsidiary, Earthcom Service, Inc. is not recognized as a reporting entity for income tax purposes. Income and losses of the Entity are reported by the parent company on its corporate tax return.

B. Going Concern:

The accompanying unaudited consolidated financial statements have been prepared assuming that the Entity will continue as a going concern. The Entity has sustained operating losses since inception and it has been dependent upon limited private lending to provide sufficient working capital in order to finance its operations. Management believes that it can continue to raise debt and equity financing to support its operations.

The Entity's ability to continue in existence is dependent upon developing additional sources of capital and/or achieving profitable operations. Management's plan is to raise capital through private financing initiatives and to fund operations utilizing the experience, expertise, and government connections obtained during the acquisition of Earthcom, Inc. The Entity's inability to fund its capital requirements would have a material adverse effect on the Entity. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

C. Earthcom Service, Inc. Merger:

Pursuant to the Agreement and Plan of Merger, dated May 4, 2010, by and between the Entity, Oxygen Acquisition Corporation (the wholly-owned subsidiary of the Entity), and Earthcom Service, Inc., the Entity acquired 100% of the outstanding shares of the common stock of Earthcom Service, Inc. The merger was a tax-free merger for the Entity. The acquisition will allow the Entity to expand its wireless services into developing countries and its cell tower setup and lease operations. Earthcom's results of operations will be included in the Entity's results beginning May 4, 2010. Under the terms of the Merger Agreement, 500 shares of Earthcom Service, Inc. common stock and 1,000 shares of Oxygen Acquisition Corporation stock were exchanged for 550,001,000 shares of the Entity's common stock.

(Continued)

O2 SECURE WIRELESS, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Twelve Months Ended September 30, 2014

(Unaudited)

The merger will be accounted for under the purchase method of accounting in accordance with FASB ASC topic 805, Business Combinations. Accordingly, the purchase price has been allocated to the assets acquired and the liabilities assumed based on their estimated fair values at the merger date as summarized below:

Purchase Price:

Earthcom Service, Inc. common stock exchanged	500
Oxygen Acquisition Corporation common stock exchanged	1,000
Total shares exchanged for Entity's common stock	<u>1,500</u>
Exchange ratio	366,667.333
Total shares of the Entity's common stock exchanged	<u>550,001,000</u>
Purchase price per share of the Entity's common stock	.02
Total value of the Entity's common stock exchanged	<u><u>\$ 11,000,020</u></u>

Allocation of the Purchase Price:

Fair value of net assets acquired (Earthcom stockholders' equity)	\$ 8,874
Estimated goodwill resulting from the merger	<u><u>\$ 10,991,146</u></u>

D. Fixed Assets:

Building & Equipment consist of the following at September 30, 2014:

Building & Equipment	\$106,663
Less, accumulated depreciation	<u>(13,239)</u>
Total Building & Equipment, net	<u><u>\$ 93,424</u></u>

Intangibles consist of the following at June 30, 2014:

Telcom Licenses, Business Development & Loan Costs	\$679,514
Less, accumulated amortization	<u>(75,777)</u>
Total Intangible Assets, net	<u><u>\$ 603,737</u></u>

Depreciation and amortization expenses were \$79,093, for the twelve months ending September 30, 2014.

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O2 SECURE WIRELESS, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Twelve Months Ended September 30, 2014

(Unaudited)

E. Notes Payable:

Notes payable consists of the following at September 30, 2014:

Unsecured notes payable due on demand to an unrelated company at a rate per annum equal to 1%	\$ 60,000
Unsecured notes payable due on demand to an unrelated party without interest	32,000
Unsecured notes payable due on demand to an unrelated party at a rate per annum equal to 8%	8,747
Unsecured note payable to an unrelated party at a rate per annum equal to 12%, monthly interest payments of \$450, principal balance due upon maturity together with any interest accrued on April 1, 2017.	45,000
Unsecured note payable to an unrelated party, no terms stated, to be paid back at an unspecified future date when the Company has positive cash flow.	37,625
Unsecured note payable to an unrelated party, at a rate per annum equal to 10%, to be paid back at an unspecified future date when the Company has positive cash flow.	19,000
Unsecured note payable to an unrelated party, at a rate per annum equal to 10%, to be paid back at an unspecified future date when the Company has positive cash flow.	50,000
Total Notes Payable	<u>\$ 252,372</u>

F. Convertible Notes Payable:

On June 25, 2010, the Entity received \$100,000 and \$80,000 in convertible notes from two unrelated parties at a rate per annum equal to 6%. On February 28, 2011 the holders of the notes elected to convert the notes into 9,000,000 registered shares of the Entity's common stock.

On November 10, 2010, the Entity received \$50,000 in the form of a convertible note from an unrelated party and additional borrowings of \$15,000 and \$100,000 in February and March 2011, respectively. The total liability of as of March 31, 2011 is \$165,000 at an interest rate per annum equal to 6%. The holder of the note may elect to convert the note into registered shares of the Entity's common stock. In the event the note is converted, the initial conversion price in determining shares to be issued is \$.005, which may be subject to certain adjustments as defined in the promissory note.

On June 1, 2011, the Entity received \$30,000 in the form of a convertible note from an unrelated party at an interest rate equal to 8% per annum, payable semi-annually on the last day of May and November in each year, commencing on November 30, 2011, until the principal hereof shall have

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O2 SECURE WIRELESS, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Twelve Months Ended September 30, 2014

(Unaudited)

become due and payable, whether at maturity, May 31, 2013, or by acceleration.. The holder of the note may elect to convert the note into registered shares of the Entity's common stock. In the event the note is converted, the initial conversion price shall be determined as defined in the promissory note.

On August 9, 2011, the Entity received \$100,000 in the form of a convertible note from an unrelated party at an interest rate equal to 6% per annum until the principal hereof shall have become due and payable. On February 9, 2012, the Convertible Notes shall mature and the Company shall pay all outstanding principal and accrued interest, unless the Holder has elected to convert the Convertible Notes to shares of common stock. In the event the note is converted, the initial conversion price in determining shares to be issued is \$.002, up to and including August 9, 2012, when the Convertible Notes shall mature.

On June 07, 2012, the holder of a \$100,000 convertible note elected to partially convert \$20,636 of the note into 68,788,000 registered shares of the Entity's common stock.

On June 27, 2012, the holder of a \$100,000 convertible note elected to convert the note into 50,000,000 registered shares of the Entity's common stock.

On July 13, 2012, the holder of a \$100,000 convertible note elected to partially convert \$22,000 of the remaining balance of the note into 55,000,000 registered shares of the Entity's common stock.

On August 30, 2012, the holder of a \$100,000 convertible note elected to partially convert \$20,000 of the remaining balance of the note into 100,000,000 registered shares of the Entity's common stock.

On October 24, 2012, the holder of a \$100,000 convertible note elected to partially convert \$15,000 of the remaining balance of the note into 100,000,000 registered shares of the Entity's common stock.

On January 24, 2013, the holder of a \$65,000 convertible note elected to convert the note into 130,000 registered shares of the Entity's common stock.

On January 24, 2013, the holder of a \$100,000 convertible note elected to partially convert \$12,375 of the remaining balance of the note into 450,000 registered shares of the Entity's common stock.

On February 1, 2013, the holder of a \$100,000 convertible note elected to partially convert \$4,800 of the remaining balance of the note into 48,000 registered shares of the Entity's common stock and have it assigned to ALG Financial, LLC in lieu of payment.

On March 1, 2013, the holder of a \$100,000 convertible note elected to convert the remaining balance of \$5,189 into 500,000 registered shares of the Entity's common stock.

On April 1, 2013 a \$30,000 convertible note was issued to Matthew McMurdo, Esq in lieu of the payment for legal services. This note may be sold at an unknown future date.

On October 15, 2013 a \$8,000 convertible note was issued to Philip Roger Genovar at a rate per annum equal to 10%. On October 15, 2014, the Convertible Notes shall mature and the Company shall pay all outstanding principal and accrued interest, unless the Holder has elected to convert the Convertible Notes to shares of common stock. In the event the note is converted, the initial

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O2 SECURE WIRELESS, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Twelve Months Ended September 30, 2014

(Unaudited)

conversion price in determining shares to be issued is 50% of the bid price over a 10 day period, up to and including October 15, 2014, when the Convertible Note shall mature.

On April 1, 2014, the holder of a \$25,000 convertible note elected to fully convert it into 1,000,000 registered shares of the Entity's common stock.

On April 9, 2014 the holder of a \$25,000 convertible note elected to partially convert \$10,000 of the note into 400,000 registered shares of the Entity's common stock.

G. Stockholders' Deficit:

As of September 30, 2010, 984,369,629 shares of common stock, no par value, were issued and outstanding out of the 1,500,000,000 shares of common stock authorized.

On February 28, 2011, convertible notes totaling \$180,000 were converted into 9,000,000 shares of common stock.

On March 10, 2011, certificate #2694 was cancelled and 500,000,000 shares of common stock were returned to treasury. At a future date 5,000,000 shares of preferred stock will be issued to replace the 500,000,000 shares of common stock that was returned. However, to date, the preferred shares have not yet been issued.

On May 19, 2011, 20,645,655 shares of common stock, no par value, were issued in accordance with terms of the merger.

On June 27, 2011, 6,250,000 shares of common stock were issued for \$25,000, as part of a \$1,000,000 Exempt Offering, under Rule 504 of Regulation D of the Securities & Exchange Act of 1933.

The Entity sold 24,850,000 shares of common stock for \$100,000 received in four disbursements of \$25,000 each during July & August 2011.

On September 27, 2011 the Entity sold 18,500,000 shares of common stock for \$35,000.

As of September 30, 2011, 563,615,284 shares of common stock, no par value, were issued and outstanding out of the 1,500,000,000 shares of common stock authorized. In addition, 10,000,000 shares of preferred stock were authorized, 5,000,000 are yet to be issued.

On October 20, 2011, 13,800,000 shares of common stock, no par value, were issued for \$25,000.

On November 03, 2011, 13,900,000 shares of common stock, no par value, were issued for \$15,000.

On November 21, 2011, 25,000,000 shares of common stock, no par value, were issued for \$25,000.

On December 21, 2011, 43,000,000 shares of common stock, no par value, were issued for \$15,000.

During February & March of 2012, 80,000,000 shares of common stock, no par value, were issued for \$40,000.

(Continued)

O2 SECURE WIRELESS, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Twelve Months Ended September 30, 2014

(Unaudited)

During April & May of 2012, 55,000,000 shares of common stock, no par value, were issued for \$40,000. As well as in June, two convertible notes with a total value of \$120,636.40 were converted into 118,788,000 shares of the Entity's common stock, no par value.

During July, August & September of 2012, 430,000,000 shares of common stock, no par value, were issued for a total of \$100,000. Another 37,500,000 and 830,336,134 was issued in exchange for processing fee funding of \$30,000 and \$500,000,000 respectively. In addition, there was \$42,000 of partial loan conversions for 155,000,000 shares of the Entity's common stock, no par value.

On October 24, 2012, there was a \$15,000 partial loan conversion for 100,000,000 shares of the Entity's common stock, no par value.

On December 10, 2012, the Company consummated a one (1) for one thousand (1,000) reverse split of its outstanding common stock, with the result that the outstanding shares of common stock of the Company were reversed from 2,465,939,418 shares pre-split, to 2,466,079 outstanding common shares post split.

On January 16, 2013, 1,806,559 shares of the Entity's common stock, no par value, were issued in lieu of payment of \$300,000, due to Val Kazia, President. The \$300,000 represents five years salary at \$60,000 annually.

On January 17, 2013, 833,333 shares of the Entity's common stock, no par value, were issued in lieu of payment of \$150,000, for business consulting and development to The Bull Consulting Group, Inc.

On January 22, 2013, 200,000 shares of the Entity's common stock, no par value, were issued in lieu of payment of \$20,000, for investor relations to FYI, LLC.

On January 24, 2013, the holder of a \$65,000 convertible note elected to convert the note into 130,000 registered shares of the Entity's common stock.

On January 24, 2013, the holder of a \$100,000 convertible note elected to partially convert \$12,375 of the remaining balance of the note into 450,000 registered shares of the Entity's common stock.

On January 29, 2013, certificate #RS3397 was cancelled and 830,337 shares of common stock were returned to treasury.

On February 1, 2013, the holder of a \$100,000 convertible note elected to partially convert \$4,800 of the remaining balance of the note into 48,000 registered shares of the Entity's common stock and have it assigned to ALG Financial, LLC in lieu of payment.

On March 1, 2013, the holder of a \$100,000 convertible note elected to partially convert the remaining balance of \$5,189 into 500,000 registered shares of the Entity's common stock.

As of September 30, 2013, 5,603,634 shares of common stock, no par value, were issued and outstanding out of the 80,000,000 shares of common stock authorized.

On April 1, 2014, 2,000,000 shares of the Entity's common stock, no par value, were issued in lieu of payment of \$250,000, for business consulting and development to OC11.

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O2 SECURE WIRELESS, INC. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Twelve Months Ended September 30, 2014

(Unaudited)

On April 1, 2014, 2,800,000 shares of the Entity's common stock, no par value, were issued in lieu of payment of \$75,000, due to Val Kazia, President. The \$75,000 represents Val's annual salary.

On April 1, 2014, the holder of a \$25,000 convertible note elected to partially convert \$10,000 into 400,000 registered shares of the Entity's common stock

On April 9, 2014, 400,000 shares of the Entity's common stock, no par value, were issued in lieu of payment of \$10,000, for business marketing costs to Eightfold Entertainment.

On June 19, 2014, the holder of a \$25,000 convertible note elected to convert the note into 1,000,000 registered shares of the Entity's common stock.

On August 1 and 17, 2014 1,733,333 shares were issued in lieu of payment to The Bull Consulting Group for business marketing costs of \$32,000

On September 11, 2014, the holder of a convertible note elected to convert \$50,000 into 1,500,000 shares of the Entity's common stock

H. Executive Employment Agreement:

On January 16, 2013, 02 Secure Wireless (the "Company"), entered into an Executive Employment Agreement with Val Kazia, the Company's President. Whereas the board has accepted and approved the "notice of issuance" of "restricted shares" for compensation of salary for the five year period beginning September 30th 2007 to September 30th 2012, in the amount of \$300,000. The cost basis is based on the closing share price of the market on January 15th 2013. The board authorizes Stalt Inc., the Transfer Agent for the Company, to issue one (1) certificate of "restricted shares" in the amount of 1,805,599 shares of common stock to Val Kazia. The compensation will be vested after one year from the date of issue. In addition, the stockholder is restricted to selling no more than 10% per quarter upon vesting.

On April 1, 2014, 02 Secure Wireless (the "Company"), entered into an Executive Employment Agreement with Val Kazia, the Company's President. Whereas the board has accepted and approved the "notice of issuance" of "restricted shares" for compensation of salary for a one year period beginning October 1, 2012 through September 30, 2013, in the amount of \$75,000. The board authorizes the Transfer Agent for the Company, to issue one (1) certificate of "restricted shares" in the amount of 2,800,000 shares of common stock to Val Kazia.

I. Contingencies and Uncertainties:

The Entity is involved in certain legal matters that it considers incidental to its business. In management's opinion, none of these legal matters will have a material effect on the Entity's financial position or the results of operations.

J. Subsequent Events:

Management has evaluated subsequent events through December 31, 2014, the date when the financial statements were available to be issued and has determined the following:

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O2 SECURE WIRELESS, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
Twelve Months Ended September 30, 2014
(Unaudited)

At an unknown future date, certificate #3504 will be cancelled and 200,000 shares of common stock will be returned to treasury.