



Sky440, Inc.
300 Spectrum Center Drive, Suite 400
Irvine, California 92618

SKY440, INC.
UNAUDITED
QUARTERLY REPORT
FINANCIAL STATEMENTS
AND NOTES TO FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2019

Filed June 11, 2019



Sky440, Inc.
300 Spectrum Center Drive, Suite 400
Irvine, California 92618

SKY440, INC.
UNAUDITED QUARTERLY
FINANCIAL STATEMENTS & BALANCE SHEET
FOR THE THREE MONTHS ENDED
MARCH 31, 2019

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UNAUDITED QUARTERLY
FINANCIAL STATEMENTS &
BALANCE SHEET FOR THE
THREE MONTHS ENDED
MARCH 31, 2019

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SKY440, Inc.
For the Quarter Ended March 31, 2019
BALANCE SHEETS
(Unadited)

	March 31, 2019	December 31, 2018
<u>ASSETS</u>		
Current assets:		
Cash	\$ 1,988	\$ 405
Total current assets	1,988	405
Fixed and intangible assets:		
Intellectual property	-	-
Entertainment properties	-	-
Total fixed and intangible assets	-	-
Total other assets	-	-
Total assets	\$ 1,988	\$ 405
<u>LIABILITIES AND STOCKHOLDERS DEFICIT</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 137,915	\$ 137,915
Accrued interest	320,586	308,030
Accrued compensation	1,468,515	1,406,015
Loans from related party	25,753	24,753
Notes payable	357,762	357,762
Total current liabilities	2,310,531	2,234,475
Long-term liabilities:		
Notes payable - long term (net of debt discount of \$83,904 and \$96,160 respectively)	118,996	82,740
Long term liability contingency	-	-
Total long-term liabilities	118,996	82,740
Total liabilities	2,429,527	2,317,215
Commitments and contingencies	-	-
Stockholders' deficit		
Preferred A stock - \$0.001 par value, authorized - 10,000,000 shares; 6,800,000 issued and outstanding, respectively	6,800	6,800
Preferred B stock - \$0.001 par value, authorized - 10,000,000 shares; 5,100,000 issued and outstanding, respectively	5,100	5,100
Preferred C stock - \$0.001 par value, authorized - 10,000,000 shares; 0 issued and outstanding, respectively	-	-
Common stock - \$0.0001 par value; 29,000,000,000 shares authorize; issued and outstanding 5,058,067,087 and 5,058,067,087 shares, respectively	505,806	505,806
Additional paid-in capital	2,462,762	2,462,762
Accumulated deficit	(5,408,007)	(5,297,278)
Total stockholders' deficit	(2,427,539)	(2,316,810)
Total liabilities and stockholders' deficit	\$ 1,988	\$ 405

See accompanying notes to the financial statements
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SKY440, Inc.
For the Quarter Ended March 31, 2019
STATEMENTS OF OPERATIONS
(Unaudited)

	For the quarter ended	
	March 31, 2019	March 31, 2018
Revenues	\$ -	\$ -
Cost of Sales		
Cost of goods sold	-	-
Gross profit	-	-
Operating expenses:		
General and administrative	19,967	4,849
Payroll expense	62,500	62,500
Impairment of Trademark Valuation	-	-
Impairment of Entertainment Properties	-	-
Gain from Impairment of LT Liability Contingency	-	-
Total operating expenses	82,467	67,349
Loss from operations	(82,467)	(67,349)
Other Income / (Expense):		
Interest expense	(16,006)	(7,677)
Amortization of debt discount	(12,256)	(12,072)
Total other income / (expense)	(28,262)	(19,749)
Net profit applicable to common stock holders	\$ (110,729)	\$ (87,098)
Per share data		
Basic and diluted loss per Common Share	\$ (0.00)	\$ (0.00)
Weighted average number of Preferred A Shares outstanding	6,800,000	6,800,000
Weighted average number of Preferred B Shares outstanding	5,100,000	5,100,000
Weighted average number of Preferred C Shares outstanding	-	-
Weighted average number of Common Shares outstanding	5,058,067,087	4,587,922,087

See accompanying notes to the financial statements

SKY440, Inc.A1:AD155
For the Quarterly Period Ended September 30, 2018
STATEMENTS OF STOCKHOLDERS' DEFICIT
(Unaudited)

	Preferred A Stock (\$0.001 par value)		Preferred B Stock (\$0.001 par value)		Preferred C Stock (\$0.001 par value)		Common Stock (\$0.0001 par value)		Additional Paid-In Capital	Deferred Equity Finance Costs	Accumulated Deficit	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount				
<u>Balance, December 31, 2015</u>	<u>6,800,000</u>	<u>6,800</u>	<u>5,100,000</u>	<u>5,100</u>	<u>-</u>	<u>-</u>	<u>3,262,922.087</u>	<u>326,292</u>	<u>2,529,770</u>	<u>-</u>	<u>(4,211,526)</u>	<u>(1,343,565)</u>
Issuance of stock for:												
Conversion of loans		-		-		-	1,325,000,000	132,500	(55,925)	-	-	76,575
Adjustment of prior years' paid-in capital									14,500			14,500
Net loss		-		-		-		-		-	(348,759)	(348,759)
<u>Balance, December 31, 2016</u>	<u>6,800,000</u>	<u>6,800</u>	<u>5,100,000</u>	<u>5,100</u>	<u>-</u>	<u>-</u>	<u>4,587,922.087</u>	<u>458,792</u>	<u>2,488,345</u>	<u>-</u>	<u>(4,560,286)</u>	<u>(1,601,249)</u>
Net loss		-		-		-		-		-	(351,099)	(351,099)
<u>Balance, December 31, 2017</u>	<u>6,800,000</u>	<u>6,800</u>	<u>5,100,000</u>	<u>5,100</u>	<u>-</u>	<u>-</u>	<u>4,587,922.087</u>	<u>458,792</u>	<u>2,488,345</u>	<u>-</u>	<u>(4,911,385)</u>	<u>(1,952,348)</u>
Issuance of stock for:												
Conversion of debentures			-	-	-	-	100,000,000	100,000				-
Stock retirement & cancellation							(100,000,000)	(100,000)				
Net loss		-		-		-		-		-	(87,098)	(87,098)
<u>Balance, March 31, 2018</u>	<u>6,800,000</u>	<u>6,800</u>	<u>5,100,000</u>	<u>5,100</u>	<u>-</u>	<u>-</u>	<u>4,587,922.087</u>	<u>458,792</u>	<u>2,488,345</u>	<u>-</u>	<u>(4,998,483)</u>	<u>(2,039,446)</u>
Net loss		-		-		-		-		-	(100,089)	(100,089)
<u>Balance, June 30, 2018</u>	<u>6,800,000</u>	<u>6,800</u>	<u>5,100,000</u>	<u>5,100</u>	<u>-</u>	<u>-</u>	<u>4,587,922.087</u>	<u>458,792</u>	<u>2,488,345</u>	<u>-</u>	<u>(5,098,572)</u>	<u>(2,139,535)</u>
Net loss		-		-		-		-		-	(107,558)	(107,558)
<u>Balance, September 30, 2018</u>	<u>6,800,000</u>	<u>6,800</u>	<u>5,100,000</u>	<u>5,100</u>	<u>-</u>	<u>-</u>	<u>4,587,922.087</u>	<u>458,792</u>	<u>2,488,345</u>	<u>-</u>	<u>(5,206,130)</u>	<u>(2,247,093)</u>
Issuance of stock for:												
Conversion of debentures			-	-	-	-	470,145,000	470,145	(25,583)			(25,583)
Stock retirement & cancellation							-	-				
Adjustment												-
Net loss		-		-		-		-		-	(91,148)	(91,148)
<u>Balance, December 31, 2018</u>	<u>6,800,000</u>	<u>6,800</u>	<u>5,100,000</u>	<u>5,100</u>	<u>-</u>	<u>-</u>	<u>5,058,067.087</u>	<u>928,937</u>	<u>2,462,762</u>	<u>-</u>	<u>(5,297,278)</u>	<u>(2,363,824)</u>
Adjustment - Prior Period												47,014

SKY440, Inc.
For the Quarter Ended March 31, 2019
STATEMENTS OF CASH FLOWS
(Unaudited)

	For the quarter ended	
	March 31, 2019	March 31, 2018
Cash flows from operating activities:		
Net profit (loss)	\$ (110,729)	\$ (87,098)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization of debt discount	12,256	12,072
Impairment of trademark valuation	-	-
Impairment of entertainment properties	-	-
Impairment of long term liability contingency	-	-
Changes in operating asset and liability account balances:		
Accrued compensation	62,500	62,500
Accrued interest	16,006	7,677
Accounts payable and accrued expenses	14,550	-
Total adjustments	105,312	82,249
Net cash used in operating activities	(5,417)	(4,849)
Net cash used in investing activities	-	-
Cash flows from financing activities:		
Proceeds from affiliate loans	1,000	140
Payments of affiliate loans	-	-
Proceeds from Reg A	6,000	-
Proceeds from notes payable	-	5,000
Net cash provided by financing activities	7,000	5,140
Net increase (decrease) in cash	1,583	291
Cash at beginning of quarter	405	3
Cash at end of quarter	\$ 1,988	\$ 294
Supplemental Schedule of Cash Flow Information:		
Cash paid for interest	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -
Supplemental Schedules of Noncash Investing and Financing Activities:		
Conversion of notes payable and accrued interest into common stock	\$ -	\$ 5,000
Common stock cancellation and retirement	\$ -	\$ 5,000

See accompanying notes to the financial statements



SKY440, Inc.
Notes to Financial Statements
For the Quarter Ended March 31, 2019

1. Organization and Nature of Operations

Sky440, Inc., a Delaware corporation (the “Company”) is a development stage company with two planned divisions: (i) a Products Development Division (the “PD Division”) and (ii) a Horticulture Development Division (the “HDD Division”), is headquartered at 300 Spectrum Center Drive, Suite 400, Irvine California 92618. Our website is www.sky440.com, our telephone number is 1-855-759-4400 and our email address is info@sky440.com.

As of March 31, 2019, the Company’s planned principal operations have commenced at a minimal level, but have not generated revenue therefrom, and as a result Sky440 continues to be classified as a development stage company.

As of March 31, 2019, the Company had completed a change in domicile from the state of Nevada to the state of Delaware effective August 10, 2018.

As of March 31, 2019, the Company had filed a Regulation A Tier 1 Offering Circular with Securities and Exchange Commission (“SEC”) on July 26, 2018. Under the terms of the filing, as amended, the Company is looking to raise \$2,000,000 at \$.0001 per share once the filing becomes effective. On November 9, 2018, the Regulation A Tier 1 Filing was qualified and became effective. As of March 31, 2019, Six-Thousand Dollars (\$6,000) in proceeds from the Regulation A Tier 1 Filing had been received by the Company. Details of the Regulation A Tier 1 Filing are available through the Company’s filings with the SEC at www.sec.gov.

As of March 31, 2019, the Company had amended its Articles of Incorporation on October 18, 2018 providing for an increase in the authorized common and preferred shares. As a result, the total authorized shares as of October 18, 2018 are 30 Billion (30,000,000,000), with 29 Billion (29,000,000,000) common shares authorized and One Hundred Million (100,000,000) preferred shares authorized. The par value per common share remains the same at \$.0001 per share. The par value per preferred share remains the same at \$.001 per share. The increase in the total amount of authorized shares was necessitated by the number of shares required to be issued in the event the Reg A Offering is fully subscribed at the current price point per share.

As of March 31, 2019, the Company had amended its Articles of Incorporation on October 18, 2018 providing for an increase in the voting rights for holders of the Company’s \$.001 par value Class B Preferred Shares. Each holder of the Class B Preferred Stock shall have the right to ten thousand (10,000) votes per share of Class B Preferred Stock held of record by such holder.

The primary objective of Sky440 is to develop two planned divisions: (i) a Products Development Division (the 'PD Division') and (ii) a Horticulture Development Division (the “HDD Division”).

The business descriptions contained herein represent to a great extent the plans for the Company going forward and do not represent any significant business operations as of December 31, 2018. In order to implement these plans, the Company must be able to secure the necessary funding. Failure to secure this funding could prevent the Company from making any significant progress in seeing its plans come to fruition.

The ultimate vision for the Company is a fully integrated operational structure where the two divisions, the PD Division and the HDD Division, work closely together in support of their respective objectives. Both of the Company's divisions are planning to grow through acquisitions, development and roll out of its planned product

lines, product branding and development, sales and services, compliance, payment processing, medical billing and other service-related products. To achieve these results, the Company must be able to secure the necessary funding to fully implement its business plan. Because the Company is in the embryonic stages of its desire to implement the business plan, failure to secure the necessary funding could prevent the Company from making any significant progress in seeing its plans come to fruition.

In our PD Division, our primary focus and planning has been in two general areas, including: (i) the planning to develop, manufacture, sell and service temporary portable housing units; and (ii) the planning for product development including publishing, marketing and distribution to support the Company's planned product lines.

In our HDD Division, our focus has been in four areas: (i) the planning for the development, manufacturing, sales and servicing of the Grow Vessel product line; (ii) planning for future ancillary branded products and consulting services; (iii) planning for incorporation of modern technologies for the Company to provide compliance, payment processing, medical billing, information portals and other Internet-based services; and (iv) planning for the future acquisition of real property.

On March 30, 2016, the Company announced that it had entered into a joint venture agreement with Houston, Texas based Advantage Underwriters Services, Inc. and its Grow-Tech LLP division to manufacture and distribute state of the art customized grow containers through the Company's planned HD Division. Highly engineered modules that allow for a wide range of horticulture and agriculture products, these specially designed and constructed insulated shipping containers provide a state-of-the-art modular and mobile vertical production environment that have been re-engineered to provide the optimum controlled environment for growing horticultural and agricultural products in any environment.

Designed for growing crops all year without regard to weather, pollution and free from pests and diseases while being completely off the grid, these 40 foot and the new 53 foot containers use proprietary systems that incorporate the latest technology available.

The PD Division has been developing a proposed line of portable housing units that when implemented plans to utilize many of the same raw materials and technology being developed in the Company's HDD Grow Vessel product line in response to much needed temporary housing for homeless and other emergency situations where short term housing is called for. In addition, the Company is continuing efforts in the planning for product development including publishing, marketing and distribution to support the Company's planned product lines.

The Company intends that the PD Division will eventually assist the HDD Division in the planned branding, marketing and distribution of HDD Division products. Because the Company is in the embryonic stages of its desire to implement the PD and HDD Division's business plans, failure to secure the required funding would prevent the Company from making any significant progress in seeing its plans come to fruition.

2. Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. For the quarter ended March 31, 2019 the Company had a net loss of (\$110,729) and for the year ended December 31, 2018, the Company had a net loss of (\$385,893). As of March 31, 2019, the Company has a total stockholder deficit of (\$2,427,539). In view of these matters, the Company's ability to continue as a going concern is dependent upon the continued financial support from its management, its ability to identify future investment opportunities and to obtain the necessary debt or equity financing, coupled with its ability to grow operations and to continue a satisfactory level of profitability. The Company intends on financing its future development activities and its working capital needs largely from the sale of public equity securities with some additional funding from other traditional financing sources, including term notes and proceeds from sub-licensing agreements until such time that funds provided by operations are sufficient to fund working capital requirements. However, there can be no assurance that these arrangements will be sufficient to fund its ongoing capital expenditures, working capital, and other cash requirements. The outcome of these matters cannot be predicted at this time. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. The financial statements of the Company do not include any adjustments relating to the recoverability and classification of recorded assets, or the

amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

3. Significant Accounting Policies

The significant accounting policies followed are:

Accounting Principles and Basis of Presentation

The consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States (“US GAAP”) and are expressed in U.S. dollars. All inter-company accounts and transactions have been eliminated. The Company’s fiscal year end is December 31.

Principles of Consolidation

The consolidated financial statements include the accounts of SKY440, Inc. (parent) and all operational divisions which come under common ownership and management. All intercompany balances and transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with US GAAP 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. The Company regularly evaluates estimates and assumptions related to the deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company’s estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected. Included in these estimates are assumptions about collection of accounts receivable, impairment of intangibles, useful life of property and equipment, stock-based compensation, beneficial conversion of convertible notes payable, deferred income tax asset valuation allowances, and valuation of derivative liabilities.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash includes demand deposits, saving accounts and money market accounts. The Company considers all highly liquid instruments with maturities of three months or less when purchased to be cash equivalents.

Cash is maintained at financial institutions and, at times, balances may exceed federally insured limits. We have never experienced any losses related to these balances. All our non-interest-bearing cash balances were fully insured at March 31, 2019 and December 31, 2018. At March 31, 2019 and December 31, 2018, there were no amounts held in excess of federally insured limits.

Basic and Diluted Net Loss per Share

The Company computes net loss per share in accordance with ASC 260, Earnings per Share. ASC 260 requires presentation of both basic and diluted earnings per share (“EPS”) on the face of the income statement. Basic EPS is computed by dividing net loss available to common shareholders (numerator) by the weighted average number of shares outstanding (denominator) during the period. Diluted EPS gives effect to all dilutive potential common shares outstanding during the period using the treasury stock method and convertible preferred stock using the if-converted method. In computing diluted EPS, the average stock price for the period is used in determining the number of shares assumed to be purchased from the exercise of stock options or warrants. Diluted EPS excludes all dilutive potential shares if their effect is anti-dilutive.

Common stock equivalents for the period ended March 31, 2019 and the year ended December 31, 2018 were dilutive due to the negative net profit of (\$110,729) and (\$385,893) respectively earned by the Company during these periods.

Accounts receivable and concentration of credit risk

The Company does not currently have any trade accounts receivable as all sales are either cash or credit card for services or products and collected contemporaneously with the sale. Therefore, the Company has not recorded an allowance for doubtful accounts.

The Company does not have any single customer that constitutes more than a fraction of a percent of total sales or accounts receivable. As such, the Company does not believe that it has any concentration of credit risk in its operations.

Related Party Transactions

Parties are considered to be related to the Company if the parties that, directly or indirectly, through one or more intermediaries, control, are controlled by, or are under common control with the Company. Related parties also include principal owners of the Company, its management, members of the immediate families of principal owners of the Company and its management and other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests. The Company discloses all related party transactions. All transactions shall be recorded at fair value of the goods or services exchanged. Property purchased from a related party is recorded at the cost to the related party and any payment to or on behalf of the related party in excess of the cost is reflected as a distribution to the related party.

The Company considers all officers, directors, senior management personnel, and senior level consultants to be related parties to the Company.

Inventory

The Company follows FASB ASC 330, "*Inventory*". Inventories are stated at the lower of cost or market. The cost of inventories comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The costs of conversion of inventories include raw materials and direct labor and fixed and variable production overheads, considering the stage of completion and the normal capacity of production facilities. The cost of inventories is determined using the first-in, first-out (FIFO) method. The Company does not maintain any inventory in connection with its business. For the period ended March 31, 2019 and the years ended December 31, 2018 and 2017, the Company did not record any write off due to spoilage as part of the cost of sales.

Furniture, equipment, and long-lived assets

Furniture and equipment are recorded at cost and depreciated on a straight-line basis over their estimated useful lives, principally three to five years. Accelerated methods are used for tax depreciation. Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized. When furniture and equipment are sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

The Company evaluates the recoverability of its long-lived assets or asset groups whenever adverse events or changes in business climate indicate that the expected undiscounted future cash flows from the related assets may be less than previously anticipated. If the net book value of the related assets exceeds the undiscounted future cash flows of the assets, the carrying amount would be reduced to the present value of their expected future cash flows and an impairment loss would be recognized.

Revenue recognition

The Company records amounts billed to customers for delivery of products as costs as sales revenue. Costs incurred by the Company for shipping and handlings are included in cost of sales.

In accordance with ASC 605, *Revenue Recognition*, the Company recognizes revenue when persuasive evidence of an arrangement exists, product delivery has occurred, or the services have been rendered, the price is fixed or determinable and collectability is reasonably assured. Revenue is generated when products or services, are delivered to the customer. Revenue is recognized net of sales returns and allowances. Provisions for discounts and rebates to customers, estimated returns, allowances, and other adjustments are provided for in the same period the related sales are recorded.

Contingencies

The Company follows ASC 450-20, *Loss Contingencies*, to report accounting for contingencies. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated. There were no commitments or contingencies as of December 31, 2018 and 2017.

Income Taxes

Deferred income tax assets and liabilities arise from temporary differences associated with differences between the financial statements and tax basis of assets and liabilities, as measured by the enacted tax rates, which are expected to be in effect when these differences reverse. Deferred tax assets and liabilities are classified as current or non-current, depending on the classification of the assets or liabilities to which they relate. Deferred tax assets and liabilities not related to an asset or liability are classified as current or non-current depending on the periods in which the temporary differences are expected to reverse. The principal types of temporary differences between assets and liabilities for financial statements and tax return purposes are set forth in Note 7.

The Company follows the provisions of FASB ASC 740-10 “*Uncertainty in Income Taxes*” (ASC 740-10), January 1, 2007. The Company has not recognized a liability as a result of the implementation of ASC 740-10. A reconciliation of the beginning and ending amount of unrecognized tax benefits has not been provided since there are no unrecognized benefits for the years ended 2018 and 2017. The Company has not recognized interest expense or penalties as a result of the implementation of ASC 740-10. If there were an unrecognized tax benefit, the Company would recognize interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses.

Share Based Compensation

The Company recognizes all share-based payments to employees, including grants of employee stock options, as compensation expense in the financial statements based on their fair value. That expense will be recognized over the period during which an employee is required to provide services in exchange for the award, known as the requisite service period (usually the vesting period). There were no grants awarded in 2018 and 2017.

The Company issues common stock and common stock options and warrants to consultants for various services. For these transactions, the Company follows the guidance in FASB ASC Topic 505. Costs for these transactions are measured at the fair value of the consideration received or the fair value of the equity instrument issued, whichever is more reliably measurable. The value of the common stock is measured at the earlier of (i) the date at which a firm commitment for performance by the counterparty to earn the equity instrument is reached or (ii) the date at which the counterparty’s performance is complete.

Financial Instruments

Pursuant to ASC 820, Fair Value Measurements and Disclosures, an entity is required to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 820 establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. ASC 820 prioritizes the inputs into three levels that may be used to measure fair value:

Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

The Company's financial instruments consist principally of cash, accounts receivable, inventory, accounts payable and accrued liabilities notes payable, convertible promissory notes, and amounts due to related parties. Pursuant to ASC 820, the fair value of our cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. We believe that the recorded values of all of our other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

Convertible Instruments

The Company evaluates and accounts for conversion options embedded in its convertible instruments in accordance with professional standards for "Accounting for Derivative Instruments and Hedging Activities".

Professional standards generally provide three criteria that, if met, require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments.

These three criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument.

Professional standards also provide an exception to this rule when the host instrument is deemed to be conventional as defined under professional standards as "The Meaning of "Conventional Convertible Debt Instrument".

The Company accounts for convertible instruments (when it has determined that the embedded conversion options should not be bifurcated from their host instruments) in accordance with professional standards when "Accounting for Convertible Securities with Beneficial Conversion Features," as those professional standards pertain to "Certain Convertible Instruments." Accordingly, the Company records, when necessary, discounts to Convertible Debentures for the intrinsic value of conversion options embedded in debt instruments based upon the differences between the fair value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note. Debt discounts under these arrangements are amortized over the term of the related debt to their earliest date of redemption. The Company also records when necessary deemed dividends for the intrinsic value of conversion options embedded in preferred shares based upon the differences between the fair

value of the underlying common stock at the commitment date of the note transaction and the effective conversion price embedded in the note.

ASC 815-40 provides that, among other things, generally, if an event is not within the entity's control could or require net cash settlement, then the contract shall be classified as an asset or a liability.

Derivative Liabilities

The Company assessed the classification of its derivative financial instruments as of December 31, 2018, which consist of convertible instruments and rights to shares of the Company's common stock and determined that such derivatives meet the criteria for liability classification under ASC 815.

ASC 815 generally provides three criteria that, if met, require companies to bifurcate conversion options from their host instruments and account for them as free standing derivative financial instruments. These three criteria include circumstances in which (a) the economic characteristics and risks of the embedded derivative instrument are not clearly and closely related to the economic characteristics and risks of the host contract, (b) the hybrid instrument that embodies both the embedded derivative instrument and the host contract is not re-measured at fair value under otherwise applicable generally accepted accounting principles with changes in fair value reported in earnings as they occur and (c) a separate instrument with the same terms as the embedded derivative instrument would be considered a derivative instrument subject to the requirements of ASC 815. ASC 815 also provides an exception to this rule when the host instrument is deemed to be conventional, as described.

Long Lived Assets

The Company follows Accounting Standards Codification subtopic 360-10, Property, Plant and Equipment ("ASC 360-10"). ASC 360-10 requires those long-lived assets and certain identifiable intangibles held and used by the Company be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Events relating to recoverability may include significant unfavorable changes in business conditions, recurring losses, or a forecasted inability to achieve break-even operating results over an extended period. The Company evaluates the recoverability of long-lived assets based upon forecasted undiscounted cash flows. Should impairment in value be indicated, the carrying value of intangible assets will be adjusted, based on estimates of future discounted cash flows resulting from the use and ultimate disposition of the asset. ASC 360-10 also requires assets to be disposed of be reported at the lower of the carrying amount or the fair value less costs to sell.

Advertising

Advertising is expensed as incurred and is included in selling costs on the accompanying consolidated statements of operations. Advertising and marketing expense for the years ended 2018 and 2017 were approximately \$0 and \$0, respectively.

Shipping costs

Shipping costs are included in cost of goods sold and totaled \$0.

Intangible Assets

The Company accounts for business combinations in accordance with Accounting Standards Codification ("ASC") 805, Business Combinations, which requires that the purchase method of accounting be used for all business combinations. ASC 805 requires intangible assets acquired in a business combination to be recognized and reported separately from goodwill.

The Company evaluates intangible assets for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to the future undiscounted net cash flows expected to be generated by

the asset. If these assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying value of the assets exceeds the fair value of the assets.

Recent Accounting Pronouncements 2018

From time to time, new accounting pronouncements are issued by the FASB or other standard setting bodies that are adopted by the Company as of the specified effective date. The Company has implemented all new accounting pronouncements that are in effect. These pronouncements did not have any material impact on the financial statements unless otherwise disclosed, and the Company does not believe that there is any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

4. Fixed and Intangible Assets

Intangible Assets at March 31, 2019 and March 31, 2018 consist of the following:

	3/31/2019	3/31/2018
<u>Intangibles Assets</u>		
Trademarks	\$ 0	\$ 0
Entertainment Properties	0	0
Total intangible assets	\$ 0	\$ 0

The Company had placed a minimal value on intellectual property including trademark applications and entertainment properties. As of December 31, 2017, the Company elected to impair the value of the trademark applications and to discontinue its development of the entertainment properties. As a result, those properties no longer are classified as intangible assets and the Company recorded this as an impairment of trademark applications and entertainment properties.

5. Commitments and Contingencies

Litigation

From time to time we may be a defendant and/or plaintiff in various other legal proceedings arising in the normal course of our business. We are currently not a party to any material legal proceedings or government actions, including any bankruptcy, receivership, or similar proceedings. In addition, we are not aware of any known litigation or liabilities involving the operators of our properties that could affect our operations. Furthermore, as of the date of this Annual Report, our management is not aware of any proceedings to which any of our directors, officers, or affiliates, or any associate of any such director, officer, affiliate, or security holder is a party adverse to our company or has a material interest adverse to us.

6. Income Taxes

Deferred taxes are recorded for all existing temporary differences in the Company's assets and liabilities for income tax and financial reporting purposes. Due to the valuation allowance for deferred tax assets, as noted below, there was no net deferred tax benefit or expense for the year ended December 31, 2018 or for the year ended December 31, 2017.

There is no current or deferred income tax expense or benefit allocated to continuing operations for the year ended December 31, 2018 or for the year ended December 31, 2017.

The provision for income taxes is different from that which would be obtained by applying the statutory federal income tax rate to income before income taxes. The items causing this difference are as follows:

Year ended December 31,	2018	2017
Income tax benefit at Federal statutory rate of 35%	\$ (135,063)	\$ (122,885)
State Income tax benefit, net of Federal effect 5%	(19,295)	(17,555)

Permanent and other differences	-	-
Change in valuation allowance	-	-
Total	\$ (154,358)	\$ (140,440)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities at December 31, 2018 and December 31, 2017 are as follows:

As at December 31,	2018	2017
Net operating loss	\$5,297,278	\$ 4,911,385
Asset impairment	-	-
Valuation allowance	\$(5,297,278)	\$ (4,911,385)
Total	-	-

Since management of the Company believes that it is more likely than not that the net deferred tax assets will not provide future benefit, the Company has established a 100 percent valuation allowance on the net deferred tax assets as of the year ended December 31, 2018 or for the year ended December 31, 2017.

As of December 31, 2018, management estimates that the Company has federal and state net operating loss carry-forwards totaling approximately (\$5,297,278) which expire at various times through 2036.

7. Convertible Debt and Derivative Liability

As of March 31, 2019, the Company has a total of \$881,248 in Convertible Notes Payable, including \$560,662 in principal and \$320,586 in accrued interest. Of the \$560,662 in principal due, \$357,762 is categorized as a current liability and \$202,900 is categorized as a long-term liability. At March 31, 2019 convertible notes payable consist of the following:

Name	Issuance Date(s)	Amount @ 3/31/19*	Term(s)	Interest	Conversion Price	Maturity Date(s)	Consideration
SFH Capital	5/2014-12/2015	\$230,796	5 Years	8%-10%	50% to Mkt	2015-2020	Cash
Adam Reznikoff	8/2010	\$200,295	7 Years	5%	50% to Mkt	2017	Services
A&M Management	5/2009	\$181,995	7 Years	8%	50% to Mkt	2016	Cash-Services
The Atwell Group	1/2010	\$86,663	7 Years	8%	50% to Mkt	2017	Cash-Services
Chris Jensen	4/2009	\$66,520	7 Years	10%	50% to Mkt	2016	Settlement
Chris Flannery	12/2015-3/2019	\$70,955	3 Years	8%	50% to Mkt	2018-2023	Legal Services
Playground Partners	11/2018	\$10,866	7 Years	10%	50% to Mkt	2025	Cash
Tri-Bridge	6/2018-9/2018	\$21,568	1 Year	5%-10%	60% to Mkt	2019	Cash
Empower	6/2018	\$5,933	1 Year	12%	50% to Mkt	2019	Cash
Sammy Khalil	3/2018	\$5,658	1 Year	10%	\$.00005	2019	Cash
Total:		\$881,248					
*Principal & Interest							

Convertible Debt Share Conversion Breakdown

The following table illustrates the potential share conversion for existing convertible debt holders as of March 31, 2019 at various share price points should the convertible debt holder elect to convert.

Entity	P&I Debt OS	Share Conversion @ \$0.00005	Share Conversion @ \$0.0001	Share Conversion @ \$0.0005	Share Conversion @ \$0.001	Share Conversion @ \$0.005
Jensen	\$66,520	1,330,395,800	665,197,900	133,039,580	66,519,790	13,303,958
Reznikoff	200,295	4,005,906,800	2,002,953,400	400,590,680	200,295,340	40,059,068
A&M	181,995	3,639,890,400	1,819,945,200	363,989,040	181,994,520	36,398,904
Atwell	86,663	1,733,262,400	866,631,200	173,326,240	86,663,120	17,332,624
SFH 1	11,572	231,446,600	115,723,300	23,144,660	11,572,330	2,314,466
SFH 2	16,713	334,264,200	167,132,100	33,426,420	16,713,210	3,342,642
SFH 3	7,290	145,808,200	72,904,100	14,580,820	7,290,410	1,458,082
Flannery 1	35,552	711,035,600	355,517,800	71,103,560	35,551,780	7,110,356
SFH 4	20,967	419,342,400	209,671,200	41,934,240	20,967,120	4,193,424
SFH 5	12,538	250,767,200	125,383,600	25,076,720	12,538,360	2,507,672
SFH 6	14,845	296,903,000	148,451,500	29,690,300	14,845,150	2,969,030
SFH 7	16,114	322,279,000	161,139,500	32,227,900	16,113,950	3,222,790
SFH 8	15,324	306,488,600	153,244,300	30,648,860	15,324,430	3,064,886
SFH 9	16,340	326,799,400	163,399,700	32,679,940	16,339,970	3,267,994
SFH 10	14,021	280,429,600	140,214,800	28,042,960	14,021,480	2,804,296
SFH 11	15,240	304,797,200	152,398,600	30,479,720	15,239,860	3,047,972
SFH 12	20,137	402,739,800	201,369,900	40,273,980	20,136,990	4,027,398
SFH 13	49,693	993,863,800	496,931,900	99,386,380	49,693,190	9,938,638
Flannery 2	11,403	228,054,800	114,027,400	22,805,480	11,402,740	2,280,548
Khalil	5,658	113,150,600	56,575,300	11,315,060	5,657,530	1,131,506
Empower	5,933	118,655,400	59,327,700	11,865,540	5,932,770	1,186,554
Tri-Bridge 1	10,755	215,095,800	107,547,900	21,509,580	10,754,790	2,150,958
Tri-Bridge 2	5,416	108,328,800	54,164,400	10,832,880	5,416,440	1,083,288
Tri-Bridge 3	5,397	107,945,200	53,972,600	10,794,520	5,397,260	1,079,452
Playground 2	10,866	217,315,000	108,657,500	21,731,500	10,865,750	2,173,150
Flannery 3	24,000	480,000,000	240,000,000	48,000,000	24,000,000	4,800,000
Totals:	\$881,248	17,624,965,600	8,812,482,800	1,762,496,560	881,248,280	176,249,656

Current and Long-Term Liabilities: Notes Payable as of March 31, 2019

Current Liabilities are notes payable obligations due by the Company within one year of the balance sheet date for this quarterly report. Long-Term Liabilities are notes payable obligations of the Company that are not payable within one year of the balance sheet date for this quarterly report.

Name	Issuance Date(s)	Principal Amount @ 3/31/19	Term	Interest	Maturity Date(s)	Status
Chris Jensen	4/2009	\$26,750	7 Years	10%	4/2016	Current
Adam Reznikoff	8/2010	\$100,000	7 Years	5%	8/2017	Current
A&M Management	5/2009	\$100,000	7 Years	8%	5/2016	Current
The Atwell Group	1/2010	\$50,012	7 Years	8%	1/2017	Current
SFH Capital	1/2010-9/2014	\$24,500	5 Years	8%	1/2015-9/2019	Current
Chris Flannery	1/2016	\$26,000	3 Years	8%	1/2019	Current
Sammy Khalil	3/2018	\$5,000	1 Year	10%	3/2019	Current
Tri-Bridge	6/2018	\$20,000	1 Year	5%-10%	6/2019-9/2019	Current
Empower	6/2018	\$5,500	1 Year	12%	6/2019	Current
Total Current:		\$357,762				
Adam Reznikoff	6/2016	\$15,000	7 Years	5%	6/2023	Long Term
SFH Capital	4/2015-12/2015	\$143,900	5 Years	8%-10%	4/2020-12/2020	Long Term
Chris Flannery	3/2017-3/2019	\$34,000	3 Years	8%	3/2020-3/2022	Long Term
Playground Partners	11/2018	\$10,000	7 Years	10%	11/2025	Long Term
Total Long Term:		\$202,900				
Total Notes Payable:		\$560,662				
Long Term Notes		\$202,900				
Debt Discount		\$83,904				
LT Notes Net of DD		\$118,996				

	March 31, 2019	December 31, 2018
Convertible notes payable	\$ 560,662	\$ 536,662
Unamortized debt discount	(83,904)	(82,740)
Carrying amount	\$ 476,758	\$ 453,922

Convertible Notes Payable
Summary Balance at March 31, 2019

Convertible Notes Payable
Summary Balance at December 31, 2018

3/31/2019				12/31/2018			
Note Holder	Principal	Accrued Interest	Total	Principal	Accrued Interest	Total	Note Type
SFH	\$168,400	\$62,395	\$230,795	\$168,400	\$58,291	\$226,691	Convertible
Reznikoff	115,000	85,295	\$200,295	115,000	83,027	198,027	Convertible
A&M	100,000	81,995	\$181,995	100,000	80,022	180,022	Convertible
Atwell	50,012	36,651	\$86,663	50,012	35,763	85,775	Convertible
Jensen	26,750	39,770	\$66,520	26,750	39,110	65,860	Convertible
Flannery	60,000	10,955	\$70,955	36,000	10,048	46,048	Convertible
Tri-Bridge	20,000	1,568	\$21,568	20,000	823	20,823	Convertible
Empower	5,500	433	\$5,933	5,500	297	5,797	Convertible
Khalil	5,000	658	\$5,658	5,000	534	5,534	Convertible
Playground 2	10,000	866	\$10,866	10,000	115	10,115	Convertible
	\$560,662	\$320,586	\$881,248	\$536,662	\$308,030	\$844,692	

Convertible Notes Payable
Detail Balance at March 31, 2019

Convertible Notes Payable
Detail Balance at December 31, 2018

3/31/2019					12/31/2018				
Note Holder	Date	Principal	Accrued Interest	Total	Principal	Accrued Interest	Total	Note Type	Footno
Jensen	4/30/09	\$26,750	\$39,770	\$66,520	\$26,750	\$39,110	\$65,860	Convertible	A
Reznikoff	8/15/10	115,000	\$85,295	200,295	115,000	83,027	198,027	Convertible	B
A&M	5/31/09	100,000	\$81,995	181,995	100,000	80,022	180,022	Convertible	C
Atwell	1/1/10	50,012	\$36,651	86,663	50,012	35,763	85,775	Convertible	D
SFH 1	1/10/10	7,500	\$4,072	11,572	7,500	3,875	11,375	Convertible	E
SFH 2	5/4/14	12,000	\$4,713	16,713	12,000	4,476	16,476	Convertible	F
SFH 3	9/1/14	5,000	\$2,290	7,290	5,000	2,167	7,167	Convertible	G
Flannery 1	2/2/16	26,000	\$9,552	35,552	26,000	8,644	34,644	Convertible	H
SFH 4	4/9/15	15,000	\$5,967	20,967	15,000	5,597	20,597	Convertible	I
SFH 5	4/26/15	9,000	\$3,538	12,538	9,000	3,316	12,316	Convertible	J
SFH 6	5/7/15	10,700	\$4,145	14,845	10,700	3881	14,581	Convertible	K
SFH 7	6/23/15	11,700	\$4,414	16,114	11,700	4125	15,825	Convertible	L
SFH 8	8/8/15	11,225	\$4,099	15,324	11,225	3822	15,048	Convertible	M
SFH 9	9/29/15	12,100	\$4,240	16,340	12,100	3942	16,042	Convertible	N
SFH 10	10/7/15	10,400	\$3,621	14,021	10,400	3365	13,765	Convertible	O
SFH 11	12/30/15	11,500	\$3,740	15,240	11,500	3456	14,956	Convertible	P
SFH 12	10/28/15	15,000	\$5,137	20,137	15,000	4767	19,767	Convertible	Q
SFH 13	1/1/15	37,275	\$12,418	49,693	37,275	11499	48,774	Convertible	R
Flannery 2	3/31/17	10,000	\$1,403	11,403	10,000	1403	11,403	Convertible	S
Khalil	3/7/18	5,000	\$658	5,658	5,000	534	5,534	Convertible	T
Empower	6/19/18	5,500	\$433	5,933	5,500	297	5,797	Convertible	U
Tri-Bridge 1	6/27/18	10,000	\$755	10,755	10,000	508	10,508	Convertible	V
Tri-Bridge 2	8/31/18	5,000	\$416	5,416	5,000	167	5,167	Convertible	W
Tri-Bridge 3	9/14/18	5,000	\$397	5,397	5,000	148	5,148	Convertible	X
Playground 2	11/19/18	10,000	\$866	10,866	10,000	115	10,115	Convertible	Y
Flannery 3	3/31/19	24,000	0	24,000	0	0	0	Convertible	Z
Totals:		\$560,662	\$320,586	\$881,248	\$536,662	\$308,030	\$844,692		

Footnotes to the Convertible Note Schedule:

- A. Jensen:** On April 30, 2009, the Company entered into a settlement agreement with Chris Jensen in the original amount of \$45,000 for services. The note carries interest at the rate of 10% per annum and was due April 29, 2016. The note converts at a 50% discount to the current trading price upon issuance of the conversion notice. The note is currently in default, but the note holder is forbearing any collection efforts.

During the year ended December 31, 2016, the Company issued an aggregate of 365,000,000 shares of common stock for repayment of \$18,250 principal in lieu of cash.

At March 31, 2019, the outstanding principal balance on these agreements was \$26,750. The total accrued interest as of March 31, 2019 is \$39,770.

The total amount due on the note, including principal and interest, is \$66,520 as of March 31, 2019.

- B. Reznikoff:** On August 15, 2010, the Company issued a 7-year promissory note, in an aggregate of \$100,000, to Adam Reznikoff for services. The note carries interest at 5% per annum. The note converts at a 50% discount to the current trading price upon issuance of the conversion notice. The note is currently in default, but the note holder is forbearing any collection efforts.

On June 30, 2016, Mr. Reznikoff loaned an additional \$15,000 to the Company on the same terms.

At March 31, 2019, the outstanding principal balance on the Reznikoff note was \$115,000. The total accrued interest as of March 31, 2019 is \$85,295.

The total amount due on the note, including principal and interest, is \$200,295 as of March 31, 2019.

- C. A&M:** On May 31, 2009, the Company issued a 7-year note, in an aggregate of \$100,000, to A&M Management for cash and services. The note carries interest at 8% per annum. The note converts at a 50% discount to the current trading price upon issuance of the conversion notice. The note is currently in default, but the note holder is forbearing any collection efforts.

At March 31, 2019, the outstanding principal balance on the A&M Management note was \$100,000. The total accrued interest as of March 31, 2019 is \$81,995.

The total amount due on the note, including principal and interest, is \$181,995 as of March 31, 2019.

- D. Atwell:** On January 1, 2010, the Company issued a 7-year note, in an aggregate of \$71,735, to The Atwell Group for cash and services. The note carries interest at 8% per annum. The note converts at a 50% discount to the current trading price upon issuance of the conversion notice. The note is currently in default, but the note holder is forbearing any collection efforts.

During the year ended December 31, 2016, the Company issued an aggregate of 300,000,000 shares of common stock for repayment of \$18,915 of principal and \$11,085 in accrued interest, in lieu of cash.

At March 31, 2019, the outstanding principal balance on The Atwell Group note was \$50,012. The total accrued interest as of March 31, 2019 is \$36,651.

The total amount due on the note, including principal and interest, is \$86,663 as of March 31, 2019.

- E. SFH 1:** On January 10, 2010, the Company issued a 5-year note for cash, in an aggregate of \$7,500, to Playground Partners, which was purchased by SFH Capital on December 5, 2014. The note carries interest at 8% per annum. The note converts at a 50% discount to the lowest trading price during the previous ten (10) days prior to issuance of the conversion notice. The note is currently in default, but the note holder is forbearing any collection efforts.

At March 31, 2019, the outstanding principal balance on the SFH Capital note 1 was \$7,500. The total accrued interest as of March 31, 2019 is \$4,072.

The total amount due on the note, including principal and interest, is \$11,572 as of March 31, 2019.

- F. SFH 2:** On May 4, 2014, the Company issued a 5-year note for cash, in an aggregate of \$12,000, to SFH Capital. The note carries interest at 8% per annum. The note converts at a 50% discount to the lowest trading price during the previous ten (10) days prior to issuance of the conversion notice.

At March 31, 2019, the outstanding principal balance on the SFH Capital note 2 was \$12,000. The total accrued interest as of March 31, 2019 is \$4,713.

The total amount due on the note, including principal and interest, is \$16,713 as of March 31, 2019.

- G. SFH 3:** On September 1, 2014, the Company issued a 5-year note for cash, in an aggregate of \$5,000, to SFH Capital. The note carries interest at 10% per annum. The note converts at a 50% discount to the lowest trading price during the previous ten (10) days prior to issuance of the conversion notice.

At March 31, 2019, the outstanding principal balance on the SFH Capital note 3 was \$5,000. The total accrued interest as of March 31, 2019 is \$2,290.

The total amount due on the note, including principal and interest, is \$7,290 as of March 31, 2019.

- H. Flannery 1:** On January 2, 2016, the Company issued a 3-year note, in an aggregate of \$26,000, to Christopher Flannery for legal services. The note carries interest at 8% per annum.

At March 31, 2019, the outstanding principal balance on the Flannery note 1 was \$26,000. The total accrued interest as of March 31, 2019 is \$9,552.

The total amount due on the note, including principal and interest, is \$35,552 as of March 31, 2019.

- I. SFH 4:** On April 9, 2015, the Company issued a 5-year note for cash, in an aggregate of \$15,000, to SFH Capital. The note carries interest at 10% per annum. The note converts at a 50% discount to the lowest trading price during the previous ten (10) days prior to issuance of the conversion notice.

At March 31, 2019, the outstanding principal balance on the SFH Capital note 4 was \$15,000. The total accrued interest as of March 31, 2019 is \$5,967.

The total amount due on the note, including principal and interest, is \$20,967 as of March 31, 2019.

- J. SFH 5:** On April 26, 2015, the Company issued a 5-year note for cash, in an aggregate of \$9,000, to SFH Capital. The note carries interest at 10% per annum. The note converts at a 50% discount to the lowest trading price during the previous ten (10) days prior to issuance of the conversion notice.

At March 31, 2019, the outstanding principal balance on the SFH Capital note 5 was \$9,000. The total accrued interest as of March 31, 2019 is \$3,538.

The total amount due on the note, including principal and interest, is \$12,538 as of March 31, 2019.

- K. SFH 6:** On May 17, 2015, the Company issued a 5-year note for cash, in an aggregate of \$10,700, to SFH Capital. The note carries interest at 10% per annum. The note converts at a 50% discount to the lowest trading price during the previous ten (10) days prior to issuance of the conversion notice.

At March 31, 2019, the outstanding principal balance on the SFH Capital note 6 was \$10,700. The total accrued interest as of March 31, 2019 is \$4,145.

The total amount due on the note, including principal and interest, is \$14,845 as of March 31, 2019.

- L. SFH 7:** On June 23, 2015, the Company issued a 5-year note for cash, in an aggregate of \$11,700, to SFH Capital. The note carries interest at 10% per annum. The note converts at a 50% discount to the lowest trading price during the previous ten (10) days prior to issuance of the conversion notice.

At March 31, 2019, the outstanding principal balance on the SFH Capital note 7 was \$11,700. The total accrued interest as of March 31, 2019 is \$4,414.

The total amount due on the note, including principal and interest, is \$16,114 as of March 31, 2019.

- M. SFH 8:** On August 8, 2015, the Company issued a 5-year note for cash, in an aggregate of \$11,225, to SFH Capital. The note carries interest at 10% per annum. The note converts at a 50% discount to the lowest trading price during the previous ten (10) days prior to issuance of the conversion notice.

At March 31, 2019, the outstanding principal balance on the SFH Capital note 8 was \$11,225. The total accrued interest as of March 31, 2019 is \$4,099.

The total amount due on the note, including principal and interest, is \$15,324 as of March 31, 2019.

- N. SFH 9:** On September 29, 2015, the Company issued a 5-year note for cash, in an aggregate of \$12,100, to SFH Capital. The note carries interest at 10% per annum. The note converts at a 50% discount to the lowest trading price during the previous ten (10) days prior to issuance of the conversion notice.

At March 31, 2019, the outstanding principal balance on the SFH Capital note 9 was \$12,100. The total accrued interest as of March 31, 2019 is \$4,240.

The total amount due on the note, including principal and interest, is \$16,340 as of March 31, 2019.

- O. SFH 10:** On October 7, 2015, the Company issued a 5-year note for cash, in an aggregate of \$10,400, to SFH Capital. The note carries interest at 10% per annum. The note converts at a 50% discount to the lowest trading price during the previous ten (10) days prior to issuance of the conversion notice.

At March 31, 2019, the outstanding principal balance on the SFH Capital note 10 was \$10,400. The total accrued interest as of March 31, 2019 is \$3,621.

The total amount due on the note, including principal and interest, is \$14,021 as of March 31, 2019.

- P. SFH 11:** On December 30, 2015, the Company issued a 5-year note for cash, in an aggregate of \$11,500, to SFH Capital. The note carries interest at 10% per annum. The note converts at a 50% discount to the lowest trading price during the previous ten (10) days prior to issuance of the conversion notice.

At March 31, 2019, the outstanding principal balance on the SFH Capital note 11 was \$11,500. The total accrued interest as of March 31, 2019 is \$3,740.

The total amount due on the note, including principal and interest, is \$15,240 as of March 31, 2019.

- Q. SFH 12:** On October 28, 2015, the Company issued a 5-year note for cash, in an aggregate of \$15,000, to SFH Capital. The note carries interest at 10% per annum. The note converts at a 50% discount to the lowest trading price during the previous ten (10) days prior to issuance of the conversion notice.

At March 31, 2019, the outstanding principal balance on the SFH Capital note 12 was \$15,000. The total accrued interest as of March 31, 2019 is \$5,137.

The total amount due on the note, including principal and interest, is \$20,137 as of March 31, 2019.

- R. SFH 13:** On December 1, 2015, the Company issued a 5-year note for cash, in an aggregate of \$37,275, to SFH Capital. The note carries interest at 10% per annum. The note converts at a 50% discount to the lowest trading price during the previous ten (10) days prior to issuance of the conversion notice.

At March 31, 2019, the outstanding principal balance on the SFH Capital note 13 was \$37,275. The total accrued interest as of March 31, 2019 is \$12,418.

The total amount due on the note, including principal and interest, is \$49,693 as of March 31, 2019.

- S. Flannery 2:** On March 31, 2017, the Company issued a 3-year note, in an aggregate of \$10,000, to Christopher Flannery for accrued legal services. The note carries interest at 8% per annum.

At March 31, 2019, the outstanding principal balance on the Flannery note 2 was \$10,000. The total accrued interest as of March 31, 2019 is \$1,403.

The total amount due on the note, including principal and interest, is \$11,403 as of March 31, 2019.

- T. Khalil:** On March 7, 2018, the Company issued a 1-year note for cash, in the aggregate amount of \$5,000, to Sammy Khalil. The note carries interest at 10% per annum.

At March 31, 2019, the outstanding principal balance on the Khalil note was \$5,000. The total accrued interest as of March 31, 2019 is \$658.

The total amount due on the note, including principal and interest, is \$5,658 as of March 31, 2019.

- U. Empower:** On June 19, 2018, the Company issued a one (1) year note, in the aggregate of \$5,500 for \$5,000 in cash, to Empower Consulting LLC. The note carries interest at 12% per annum. The note converts to Fifty Percent (50%) of the lowest Trading Price during the twenty (20) trading day period prior to conversion.

At March 31, 2019, the outstanding principal balance on the Empower note was \$5,500. The total accrued interest as of March 31, 2019 is \$433.

The total amount due on the note, including principal and interest, is \$5,933 as of March 31, 2019.

- V. Tri-Bridge 1:** On June 27, 2018, the Company issued a one (1) year note, in the aggregate of \$10,000, for cash, to Tri-Bridge Ventures LLC. The note carries interest at 5% per annum. The note converts equal to the lesser of (i) the lowest price of any public offering of the Issuers Common Stock during the subsequent 24 months or (ii) Sixty Percent (60%) of the lowest Trading Price during the twenty (20) trading day period prior to conversion.

At March 31, 2019, the outstanding principal balance on the Tri-Bridge note was \$10,000. The total accrued interest as of March 31, 2019 is \$755.

The total amount due on the note, including principal and interest, is \$10,755 as of March 31, 2019.

- W. Tri-Bridge 2:** On August 31, 2018, the Company issued a one (1) year note, in the aggregate of \$5,000, for cash, to Tri-Bridge Ventures LLC. The note carries interest at 10% per annum. The note converts equal to the lesser of (i) the lowest price of any public offering of the Issuers Common Stock during the subsequent 24 months or (ii) Sixty Percent (60%) of the lowest Trading Price during the twenty (20) trading day period prior to conversion.

At March 31, 2019, the outstanding principal balance on the Tri-Bridge note was \$5,000. The total accrued interest as of March 31, 2019 is \$416.

The total amount due on the note, including principal and interest, is \$5,416 as of March 31, 2019.

- X. Tri-Bridge 3:** On September 14, 2018, the Company issued a one (1) year note, in the aggregate of \$5,000, for cash, to Tri-Bridge Ventures LLC. The note carries interest at 10% per annum. The note converts equal to the lesser of (i) the lowest price of any public offering of the Issuers Common Stock during the subsequent 24 months or (ii) Sixty Percent (60%) of the lowest Trading Price during the twenty (20) trading day period prior to conversion.

At March 31, 2019, the outstanding principal balance on the Tri-Bridge note was \$5,000. The total accrued interest as of March 31, 2019 is \$397.

The total amount due on the note, including principal and interest, is \$5,397 as of March 31, 2019.

- Y. Playground 2:** On November 19, 2018, the Company issued a seven (7) year note, in the aggregate of \$10,000 for \$10,000 in cash, to Playground Partners LLC. The note carries interest at 10% per annum. The note converts to Fifty Percent (50%) of the lowest Trading Price during the twenty (20) trading day period prior to conversion.

At March 31, 2019, the outstanding principal balance on the Playground note was \$10,000. The total accrued interest as of March 31, 2019 is \$866.

The total amount due on the note, including principal and interest, is \$10,866 as of March 31, 2019.

- Z. Flannery 3:** On March 31, 2019, the Company issued a 3-year note, in an aggregate of \$24,000, to Christopher Flannery for accrued legal services. The note carries interest at 8% per annum.

At March 31, 2019, the outstanding principal balance on the Flannery note was \$24,000. The total accrued interest as of March 31, 2019 is \$0.

The total amount due on the note, including principal and interest, is \$24,000 as of March 31, 2019.

Convertible Promissory Note Issuances During Fiscal Year 2019

On March 31, 2019, the Company issued a 3-year note, in an aggregate of \$24,000, to Christopher Flannery for accrued legal services. The note carries interest at 8% per annum. At March 31, 2019, the outstanding principal balance on the Flannery note 3 was \$24,000. The total accrued interest as of March 31, 2019 is \$0. The total amount due on the note, including principal and interest, is \$24,000 as of March 31, 2019.

Convertible Promissory Note Issuances During Fiscal Year 2018

On March 7, 2018, the Company issued a 1-year note for cash, in the aggregate amount of \$5,000, to Sammy Khalil. The note carries interest at 10% per annum. At March 31, 2019, the outstanding principal balance on the Khalil note was \$5,000. The total accrued interest as of March 31, 2019 is \$658. The total amount due on the note, including principal and interest, is \$5,658 as of March 31, 2019.

On June 19, 2018, the Company issued a one (1) year note, in the aggregate of \$5,500 for \$5,000 in cash, to Empower Consulting LLC. The note carries interest at 12% per annum. The note converts to Fifty Percent (50%) of the lowest Trading Price during the twenty (20) trading day period prior to conversion. At March 31, 2019, the outstanding principal balance on the Empower note was \$5,500. The total accrued interest as of March 31, 2019 is \$433. The total amount due on the note, including principal and interest, is \$5,933 as of March 31, 2019.

On June 27, 2018, the Company issued a one (1) year note, in the aggregate of \$10,000, for cash, to Tri-Bridge Ventures LLC. The note carries interest at 5% per annum. The note converts equal to the lesser of (i) the lowest price of any public offering of the Issuers Common Stock during the subsequent 24 months or (ii) Sixty Percent (60%) of the lowest Trading Price during the twenty (20) trading day period prior to conversion. At March 31, 2019, the outstanding principal balance on the Tri-Bridge note was \$10,000. The total accrued interest as of March 31, 2019 is \$755. The total amount due on the note, including principal and interest, is \$10,755 as of March 31, 2019.

On August 31, 2018, the Company issued a one (1) year note, in the aggregate of \$5,000, for cash, to Tri-Bridge Ventures LLC. The note carries interest at 10% per annum. The note converts equal to the lesser of (i) the lowest price of any public offering of the Issuers Common Stock during the subsequent 24 months or (ii) Sixty Percent (60%) of the lowest Trading Price during the twenty (20) trading day period prior to conversion. At March 31, 2019, the outstanding principal balance on the Tri-Bridge note was \$5,000. The total accrued interest as of March 31, 2019 is \$416. The total amount due on the note, including principal and interest, is \$5,416 as of March 31, 2019.

On September 14, 2018, the Company issued a one (1) year note, in the aggregate of \$5,000, for cash, to Tri-Bridge Ventures LLC. The note carries interest at 10% per annum. The note converts equal to the lesser of (i) the lowest price of any public offering of the Issuers Common Stock during the subsequent 24 months or (ii) Sixty Percent (60%) of the lowest Trading Price during the twenty (20) trading day period prior to conversion. At March 31, 2019, the outstanding principal balance on the Tri-Bridge note was \$5,000. The total accrued interest as of March 31, 2019 is \$397. The total amount due on the note, including principal and interest, is \$5,397 as of March 31, 2019.

On November 19, 2018, the Company issued a seven (7) year note, in the aggregate of \$10,000 for \$10,000 in cash, to Playground Partners LLC. The note carries interest at 10% per annum. The note converts to Fifty Percent (50%) of the lowest Trading Price during the twenty (20) trading day period prior to conversion. At March 31, 2019, the outstanding principal balance on the Playground note was \$10,000. The total accrued interest as of March 31, 2019 is \$866. The total amount due on the note, including principal and interest, is \$10,866 as of March 31, 2019.

8. Fair Value

ASC 825-10 defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance. ASC 825-10 establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. ASC 825-10 establishes three levels of inputs that may be used to measure fair value:

- Level 1 - Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates); and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement is disclosed is determined based on the lowest level input that is significant to the fair value measurement.

The convertible debt of the Company converts at a fixed discount to the current market price of the Common Shares. There are no derivative liabilities associated with these notes.

9. Equity

Authorized Stock

As of March 31, 2019, the authorized stock of Sky440 was Thirty Billion Shares (30,000,000,000), consisting of Twenty-Nine Billion Common Shares authorized (29,000,000,000) authorized and One Hundred Million Preferred Shares (100,000,000) authorized.

Issued and Outstanding Common Stock

As of March 31, 2019, Sky440 had an authorized common stock capital of Twenty-Nine Billion Common Shares authorized (29,000,000,000) with a par value of \$.0001. As of March 31, 2019, Sky440 had a total of 5,058,067,087 Common Shares outstanding, as compared to 5,058,067,087 Common Shares outstanding as of December 31, 2018 and 4,587,922,087 Common Shares outstanding as of December 31, 2017.

Authorized Preferred Stock

As of March 31, 2019, Sky440 had an authorized Preferred Stock capital of One Hundred Million Preferred Shares (100,000,000) with a par value of \$.001. Of the total authorized Preferred Stock, there are Ten Million (10,000,000) Preferred A Shares authorized, Ten Million (10,000,000) Preferred B Shares authorized and Ten Million (10,000,000) Preferred C Shares authorized. Preferred A Shares convert to 20 common shares of Sky440 Common Stock and have 100 votes per Preferred A Share on all matters coming to a shareholder vote. Preferred B Shares convert to 10 common shares of Sky440 Common Stock and have 10,000 votes per Preferred B Share on all matters coming to a shareholder vote. Preferred C Shares convert to 100 common shares of Sky440 Common Stock and have no votes per Preferred C Share on all matters coming to a shareholder vote.

Issued and Outstanding Preferred Stock

As of March 31, 2019, Sky440 had a total of 11,900,000 Preferred Shares outstanding, as compared to 11,900,000 Common Shares outstanding as of December 31, 2018 and December 31, 2017 (No change). The 11,900,000 Preferred Shares were comprised of 6,800,000 Preferred A Stock, with a par value of \$.001 per share, and 5,100,000 shares of Preferred B Stock, with a par value of \$.001 per share. The Company had one issuance of Preferred C shares, which were subsequently converted and cancelled, during the first quarter ended March 31, 2018.

Stockholder Voting as of March 31, 2019

As of March 31, 2019, there were a total of 56,267,922,087 votes available for voting on all matters brought before the Company's stockholders based upon a total of 5,058,067,087 common shares outstanding and 11,900,000 preferred shares outstanding. The following table shows the voting percentage breakdown as of March 31, 2019:

Item:	Type:	Number of Votes:	Voting Percentage:
Total Votes	Shareholder Votes	56,738,067,087	100%
Non-Affiliated Stockholders	Shareholder Votes	4,831,694,646	8.5%
Affiliate Stockholders	Affiliate Common Votes	226,372,441	0.5%
Affiliate Stockholders	Affiliate Preferred Votes	51,680,000,000	91%
Affiliate Stockholders	Affiliate Total Votes	51,906,372,441	91.5%

Preferred Shares Breakdown as of March 31, 2019

Class	Outstanding	Owner	Amount	Voting	Total Votes	Conversion
A	6,800,000	Robert Atwell*	6,800,000	100 VPS	680,000,000	20 to 1
B	5,100,000	Robert Atwell*	5,100,000	10,000 VPS	51,000,000,000	100 to 1
C	0	None	0	0	0	100 to 1
Totals:	11,900,000	* Affiliate	11,900,000	10,100 VPS	51,680,000,000	

Dilutive Shareholder Effect as of March 31, 2019

As a result of the issuances and cancellations, as of March 31, 2019, the effective date of this filing, the total outstanding common shares of the Company increased from 4,587,922,087 common shares outstanding on December 31, 2017 to 5,058,067,087 common shares outstanding on December 31, 2018. During fiscal year 2018, there were a total of 570,145,000 common shares issued to three (3) common stockholders. The first issuance was for 100,000,000 common shares on March 20, 2018. There was no dilutive effect for this issuance, as there was a common share cancellation for an equal number of shares (100,000,000) on March 14, 2018. The second issuance was for 450,000,000 common shares on October 25, 2018, which retired an existing convertible promissory note. The third issuance was for 20,145,000 common shares on November 15, 2018, which also retired an existing convertible promissory note.

The Company had one issuance of Preferred C shares, which were subsequently converted and cancelled, during the first quarter. The shareholder who was issued the Preferred C shares paid for those shares on March 29, 2016, the consideration date for both the Preferred C issuance and the subsequent Common Stock issuance. The details are described below:

Common Share Cancellation

On March 14, 2018, Robert Atwell, the Company's Chairman and the sole officer and director, cancelled 100,000,000 common shares issued to The Atwell Group. Following this cancellation, the total outstanding common shares was 4,487,922,087.

Preferred Stock Issuance and Cancellation

On March 15, 2018, the Company issued 1,000,000 shares of Class C Preferred Shares to Sammy Khalil in accordance with the terms and conditions of the Securities Purchase Agreement between the Company and Mr. Khalil dated as of March 29, 2016. Each share of Preferred C stock converts into 100 shares of the Company's \$.0001 par value common stock. Following this issuance, the total outstanding Preferred C shares was 1,000,000 shares outstanding. Preferred Share Conversion on March 19, 2018, Sammy Khalil elected to convert his 1,000,000 shares of Preferred C stock into 100,000,000 shares of the Company's \$.0001 par value common stock. The Preferred C shares were issued in accordance with the terms and conditions of the Securities Purchase Agreement between the Company and Mr. Khalil dated as of March 29, 2016. As a result of this conversion, the 1,000,000 shares of Preferred C stock were cancelled and returned to the treasury. As of March 31, 2019, the total outstanding shares of Preferred C stock is 0.

Common Share Issuance

On March 20, 2018, the Company issued 100,000,000 restricted common shares to Sammy Khalil as a result of Mr. Khalil converting his 1,000,000 shares of Class C Preferred Shares into common stock. Each share of Preferred C stock converts into 100 shares of the Company's \$.0001 par value common stock. Following this issuance, 4,587,922,087 common shares were issued and outstanding. The Preferred C shares were issued in accordance with the terms and conditions of the Securities Purchase Agreement between the Company and Mr. Khalil dated as of March 29, 2016. The consideration date for the common shares issued as a result thereof is March 29, 2016.

On October 25, 2018, the Company issued 450,000,000 common shares to Tri-Bridge Ventures LLC to retire an existing convertible promissory note that had been previously acquired by Tri-Bridge Ventures LLC from Playground Partners LLC on August 17, 2018. On March 20, 2014, the Company issued a 7-year note for cash, in an aggregate of \$10,000, to Playground Partners. The note carried interest at 8% per annum. On May 29, 2014, Playground loaned an additional \$9,000 to the Company on the same terms. On May 11, 2016, Playground loaned an additional \$1,000 to the Company on the same terms. On July 29, 2016, Playground loaned an additional \$4,500 to the Company on the same terms. On September 16, 2016, Playground loaned an additional \$4,000 to the Company on the same terms. During the year ended December 31, 2016, the Company issued an aggregate of 60,000,000 shares of common stock for repayment of \$3,000 of principal, in lieu of cash. At October 25, 2018, the outstanding principal balance on the Playground Partners notes was \$19,000. The total accrued interest as of October 25, 2018 was \$7,307. The total amount due on the note, including principal and interest, was \$26,307 as of October 25, 2018. The note was retired upon the issuance of the 450,000,000 common shares on October 25, 2018. As of March 31, 2019, the outstanding principal balance on the Tri-Bridge Ventures LLC note was \$0.

On November 15, 2018, the Company issued 20,145,000 common shares to George Wolfenden to retire an existing convertible promissory note. On November 6, 2014, the Company issued an 8-month note, in an aggregate of \$2,500, to George Wolfenden for cash. As of March 31, 2018, an agreement had been reached to retire the note as described below. The note carried interest at 18% per annum. The note converted at a 50% discount to the current trading price upon issuance of the conversion notice. On March 20, 2018, the Company reached an agreement with noteholder George Wolfenden to issue Mr. Wolfenden restricted common shares of the Company's \$.0001 common stock to retire his note. As a result, Mr. Wolfenden will receive 20,145,000 restricted common shares priced at \$.0002 per share for the \$4,029 principal and interest amount of his note as of March 31, 2018. The consideration date for the debt is November 6, 2014. At December 31, 2018 the outstanding principal balance on the Wolfenden Capital note was \$0. The total amount due on the note, including principal and interest, is \$0 as of March 31, 2019.

The Company did not issue any shares in fiscal year 2017. Issuances for 2016 and 2018 as of December 31, 2018 are as follows:

Name	Issuance Date*	Issuance Type	Shares Offered	Shares Sold	Offered (in \$)	Paid (in \$)	(a)	(b)	(c)	(d)	(e)	(f)**
Atwell Group	3/15/16	Common	300,000,000	300,000,000	.0001	.0001	4(a)(2)	Restricted	Restricted	144	Debt	12/31/13
SFH Capital	3/18/16	Common	100,000,000	100,000,000	.00005	.00005	4(a)(2)	Restricted	Restricted Available for Resale	144	Cash	2/28/14
Playground Partners	6/9/16	Common	60,000,000	60,000,000	.00005	.00005	4(a)(2)	Restricted	Restricted Available for Resale	144	Cash	3/20/14
Sammy Khalil	7/21/16	Common	100,000,000	100,000,000	.00005	.00005	4(a)(2)	Restricted	Restricted Available for Resale	144	Cash	3/27/14
John Evangelides	7/21/16	Common	200,000,000	200,000,000	.00005	.00005	4(a)(2)	Restricted	Restricted Available for Resale	144	Cash	12/19/14
Chris Jensen	7/27/16	Common	365,000,000	365,000,000	.00005	.00005	4(a)(2)	Restricted	Restricted Available for Resale	144	Settle	4/30/09
Lost Art Pictures	8/5/16	Common	100,000,000	100,000,000	.00005	.00005	4(a)(2)	Restricted	Restricted Available for Resale	144	Cash	6/20/14
Sammy Khalil	9/30/16	Common	100,000,000	100,000,000	.00005	.00005	4(a)(2)	Restricted	Restricted Available for Resale	144	Cash	4/9/14
Atwell Group	3/14/18	Cancelled Common	(100,000,000)	N/A	.0001	.0001	N/A	N/A	N/A	N/A	N/A	N/A
Sammy Khalil	3/15/18	Preferred C	1,000,000	1,000,000	.001	.001	4(a)(2)	Restricted	Restricted	144	Cash	3/29/16 ***
Sammy Khalil	3/19/18	Converted Preferred C	(1,000,000)	(1,000,000)	.001	.001	N/A	N/A	N/A	N/A	N/A	3/29/16 ***
Sammy Khalil	3/20/18	Common	100,000,000	100,000,000	.00005	.00005	4(a)(2)	Restricted	Restricted Available for Resale	144	Cash	3/29/16 ****
Tri Bridge	10/25/18	Common	450,000,000	450,000,000	.00005	.00005	4(a)(2)	Restricted	Restricted Available for Resale	144	Cash	9/16/16 *****
George Wolfenden	11/15/18	Common	20,145,000	20,145,000	.0002	.0002	4(a)(2)	Restricted	Restricted Available for Resale	144	Cash	11/6/14 *****

Legend:

- a) Issuance Exemption
- b) Trading Status upon Issuance
- c) Current Issuance Legend Status as of 12/31/18
- d) Holder Exemption
- e) Consideration
- f) Consideration Date

Notes:

*Actual physical certificate issuance date by transfer agent

** Date consideration for shares was paid in full

*** Consideration for Preferred Stock Issuance was received by the Company on March 29, 2016; however, the issuance of the shares did not occur until March 15, 2018.

**** Consideration for Common Stock Issuance was received by the Company on March 29, 2016, thereby meeting the consideration criteria for Rule 144.

***** Consideration for Common Stock Issuance was received by the Company on March 20, 2014, May 29, 2014, May 11, 2016, July 29, 2016 and September 16, 2016 thereby meeting the consideration criteria for Rule 144.

***** Consideration for Common Stock Issuance was received by the Company on November 6, 2014, thereby meeting the consideration criteria for Rule 144.

Top Twenty-Five Common Stock Stockholders

As of March 31, 2019, the following list details the top twenty-five common stock stockholders of the Company as determined by the number of shares held by each individual and or entity.

Rank:	Stockholder:	Type:	Shares:	Percentage:
1.	Cede & Co	Nominee	2,029,653,608	40.13 %
2.	ALPCO	Corporation/Nominee	741,231,020	14.65 %
3.	Chris Jensen	Individual	365,000,000	7.22 %
4.	The Atwell Group	Corporation	200,000,000	3.95 %
5.	Christopher Flannery	Individual	200,000,000	3.95 %
6.	Watson Investment Enterprises	Corporation	200,000,000	3.95 %
7.	John Evangelides	Individual	200,000,000	3.95 %
8.	Scotttrade Inc.	Corporation/Nominee	139,304,737	2.75 %
9.	Merrill Lynch	Corporation/Nominee	120,747,295	2.39 %
10.	Patrick Winn	Individual	100,000,000	1.98 %
11.	Lost Art Pictures Inc.	Corporation	100,000,000	1.98 %
12.	Sammy Naief Khalil	Individual	100,000,000	1.98 %
13.	E*Trade Clearing LLC	Broker	79,885,110	1.58 %
14.	Virtu Americas LLC	Corporation/Nominee	41,596,983	0.82 %
15.	RBC Capital Markets LLC	Corporation/Nominee	34,527,514	0.68 %
16.	Investor Company	Corporation/Nominee	29,257,836	0.58 %
17.	Merrill Lynch	Corporation/Nominee	25,995,669	0.51 %
18.	Merrill Lynch	Broker	21,826,798	0.43 %
19.	George Wolfenden	Individual	20,145,000	0.40 %
20.	Joseph Petrucelli	Individual	17,033,999	0.34 %
21.	John Harris	Individual	15,000,000	0.30 %
22.	Investor Company	Corporation/Nominee	14,996,882	0.30 %
23.	Robert Atwell	Individual	14,372,441	0.28 %
24.	E*Trade Clearing	Broker	13,500,000	0.27 %
25.	Barry Nester	Individual	12,500,000	0.25 %

10. Accounts Payable and Accrued Expenses.

Operating Payables and Accrued Expenses

As of March 31, 2019, the Company had \$137,915 in Operating Payables and Accrued Expenses. The increase in Operating Payables and Accrued Expenses during fiscal year 2018 are attributable to costs and fees connected with the Company's Regulation A Tier 1 Filing, accounting and legal expenses, transfer agent costs and consulting fees.

Item	Payee	Amount	Note
Accounting & Filing Fees	Emerald Coast Capital	\$25,212	OTC, Nevada, Accounting
Accounting Fees	XBRL Associates	\$3,000	Financial Statements
Legal Fees	Law Offices of Christopher Flannery	\$15,000	Legal Fees
Legal Fees	Law Offices of Jonathan Levitan	\$14,000	Legal Fees
Legal Fees	Law Offices of John Lux	\$25,000	Legal Fees
Transfer Agent Fees	First American Stock Transfer	\$2,074	Stockholder Maintenance
State Fees	State of Delaware	\$2,168	Corporate Filing Fees
Consulting Fees	Big Red Consulting	\$12,000	Project Consulting Fees
Office Rent	Regus California	\$1,172	Rent
Office Rent	Regus Florida	\$458	Rent
Office Rent	Regus California	\$2,000	Rent
Expenses	SFH Capital LLC	\$400	Operating Expenses
Verizon	Phone	\$1,231	Phone Exp.
Accounting Fees	Various	\$2,200	Accounting
Intellectual Property	The Corporate Solution	\$25,000	Trademarks
Operating Expenses	Emerald Coast Capital	\$5,000	Operating Expenses

State Filing Fees	New York State	\$2,000	State Registration Fees
Total:		\$137,915	

Trade Payables

As of March 31, 2019, the Company does not have any current trade payables due.

Older Payables

None

Other Payables

None

11. NET INCOME

Revenue

During the quarter ended March 31, 2019, the Company did not generate any Gross revenue. During the year ended December 31, 2018 and the year ended December 31, 2017, the Company did not generate any Gross Revenue.

Expenses

During the quarter ended March 31, 2019, the Company incurred \$19,967 in General and Administrative Expenses and \$62,500 in payroll expense (deferred).

Other Income

None.

Net Income/Loss

The Company recorded a Net Loss of (\$110,729) for the quarter ended March 31, 2019.

12. Related Party Transactions

Accrued Salaries

During the quarter ended March 31, 2019, the Company had accrued compensation to officers of \$62,500.

During the year ended December 31, 2018, the Company had accrued compensation to officers of \$250,000.

As of March 31, 2019, the Company had accrued compensation to officers of \$1,468,515.

As of December 31, 2018, the Company had accrued compensation to officers of \$1,406,015.

As of December 31, 2017, the Company had accrued compensation to officers of \$1,156,015.

For the quarter ended March 31, 2019, the fiscal year ended December 31, 2018, and the fiscal year ended December 31, 2017, the Company's Chairman has not been paid any of his accrued salary. Furthermore, the Chairman had not sold any stock, common and or preferred, as of March 31, 2019.

Advances from Affiliates

As of March 31, 2019, and December 31, 2018, there are \$25,753 and \$24,753, respectively of related party advances and or loans. The advances and or loans are due on demand and carry no interest.

During the quarter ended March 31, 2019, the Company had received and recorded an additional \$1,000 in cash advances and vendor payments from affiliates, including its Chairman Robert Atwell.

During fiscal year 2018, the Company had received and recorded an additional \$2,640 in cash advances and vendor payments from affiliates, including its Chairman Robert Atwell.

During fiscal year 2017, the Company had received and recorded an additional \$1,603 in cash advances from affiliates, including its Chairman Robert Atwell.

During fiscal year 2016, the Company had received and recorded an additional \$7,619 in cash advances from affiliates, including its Chairman Robert Atwell.

Prior to fiscal year 2016, the Company had received an additional net \$36,376 in cash advances from affiliates, including its Chairman Robert Atwell, including all advances and any debt cancellation, retirements and or repayments connected therewith.

As of the quarter ended March 31, 2019, the Company had received \$41,229 in cash advances from affiliates, including its Chairman Robert Atwell, including all advances and any debt cancellation, retirements and or repayments connected therewith, and had repaid \$17,106 of those advances, resulting in \$25,753 in net cash advances from affiliates, including its Chairman Robert Atwell, including all advances and any repayments connected therewith, being recorded on the Company's books and records.

Stock Issued to Affiliates

During the quarter ended March 31, 2019 and fiscal years 2018 and 2017, the Company did not issue any stock to affiliates. On March 14, 2018, control affiliate The Atwell Group cancelled and retired 100,000,000 common shares.

13. Regulation A Tier 1 Offering

As of December 31, 2018, the Company had filed a Regulation A Tier 1 Offering Circular with Securities and Exchange Commission ("SEC") on July 26, 2018. Under the terms of the filing, as amended, the Company is looking to raise \$2,000,000 at \$.0001 per share once the filing became effective. On November 9, 2018, the Regulation A Tier 1 Filing was qualified and became effective. As of March 31, 2019, Six-Thousand Dollars (\$6,000) in proceeds from the Regulation A Tier 1 Filing had been received by the Company. Details of the Regulation A Tier 1 Filing are available through the Company's filings with the SEC at www.sec.gov.

Use of Proceeds from Regulation A Tier 1 Offering

If the Company sells all of the shares being offered, its net proceeds (after the estimated offering expenses of \$27,000) will be \$1,973,000. The Company plans to utilize the net proceeds for the following:

If 25% of the Shares offered are sold:

Percentage of Offering Sold	Offering Proceeds	Approximate Offering Expenses	Total Net Offering Proceeds	Principal Uses of Net Proceeds
				Accounting and Audit Fees: \$20,000
				Legal & Professional Fees: \$10,000
				Sales & Marketing: \$85,000
				HDD Manufacturing: \$160,000
				Product Development & Distribution: \$50,000
				Corporate Acquisitions: \$100,000
				Working capital: \$48,000
25.00%	\$500,000	\$27,000	\$473,000	\$473,000

If 50% of the Shares offered are sold:

Percentage of Offering Sold	Offering Proceeds	Approximate Offering Expenses	Total Net Offering Proceeds	Principal Uses of Net Proceeds
				Accounting and Audit Fees: \$20,000 Legal & Professional Fees: \$20,000 Sales & Marketing: \$160,000 HDD Manufacturing: \$400,000 Product Development & Distribution: \$100,000 Corporate Acquisitions: \$175,000 Working capital: \$98,000
50.00%	\$1,000,000	\$27,000	\$973,000	\$973,000

If 75% of the Shares offered are sold:

Percentage of Offering Sold	Offering Proceeds	Approximate Offering Expenses	Total Net Offering Proceeds	Principal Uses of Net Proceeds
				Accounting and Audit Fees: \$25,000 Legal & Professional Fees: \$40,000 Sales & Marketing: \$235,000 HDD Manufacturing: \$600,000 Product Development & Distribution: \$200,000 Corporate Acquisitions: \$225,000 Working capital: \$148,000
75.00%	\$1,500,000	\$27,000	\$1,473,000	\$1,473,000

If 100% of the Shares offered are sold:

Percentage of Offering Sold	Offering Proceeds	Approximate Offering Expenses	Total Net Offering Proceeds	Principal Uses of Net Proceeds
				Accounting and Audit Fees: \$25,000 Legal & Professional Fees: \$40,000 Sales & Marketing: \$235,000 HDD Manufacturing: \$900,000 Product Development & Distribution: \$275,000 Corporate Acquisitions: \$300,000 Working capital: \$198,000
100.00%	\$2,000,000	\$27,000	\$1,973,000	\$1,973,000

The precise amounts that the Company plans to devote to each of the foregoing items, and the timing of expenditures, will vary depending on numerous factors.

As indicated in the table above, if the Company sells only 75%, or 50%, or 25% of the shares offered for sale in this offering, it would expect to use the resulting net proceeds for the same purposes as it would use the net proceeds from a sale of 100% of the shares, and in approximately the same proportions, until such time as such use of proceeds would leave the Company without working capital reserve. At that point the Company would expect to modify its use of proceeds by limiting its expansion, leaving the Company with the working capital reserve indicated.

The expected use of net proceeds from this offering represents the Company's planned intentions based upon its current plans and business conditions, which could change in the future as its plans and business conditions evolve and change. The amounts and timing of its actual expenditures, specifically with respect to working capital, may vary significantly depending on numerous factors. The precise amounts that it will devote to each of the foregoing items, and the timing of expenditures, will vary depending on numerous factors. As a result, the Company's management will retain broad discretion over the allocation of the net proceeds from the offering.

In the event the Company does not sell all of the shares being offered, it may seek additional financing from other sources in order to support the intended use of proceeds indicated above. If the Company secures additional equity funding, investors in the offering would be further diluted. In all events, there can be no assurance that additional financing would be available to the Company when wanted or needed and, if available, on terms acceptable to the Company.

Under Net Proceeds, Accounting and Audit Fees include fees for the annual audit and any stub connected thereto as part of the Company's plan to become a fully reporting company subsequent to the completion of the planned funding as described herein. The amounts in this category will increase as accounting fees increase in relationship to increased activity in manufacturing, product development and corporate acquisitions assuming the Company is successful in raising at least seventy five percent (75%) of the maximum offering.

Under Net Proceeds, Legal and Professional Fees include legal costs and professional fees connected thereto as part of the Company's plan to become a fully reporting company subsequent to the completion of the planned funding as described herein. If the Company is successful in raising at least fifty per cent (50%) of the maximum offering, these costs and fees will increase as activity in sales and marketing, HDD manufacturing, Product Development and Corporate Acquisitions expands.

Under Net Proceeds, Sales and Marketing costs, which include the addition of professional staff and or the retention of third-party sales and marketing experts, are expected to steadily increase if the Company is successful in raising at least fifty per cent (50%) of the maximum offering, these costs and fees will increase as activity in HDD manufacturing, Product Development and Corporate Acquisitions expands.

Under Net Proceeds, HDD Manufacturing costs, which include the development, design, acquisition of raw materials, production and testing of the Company's planned Grow Tech product line, will begin with the initial roll-out of Grow Tech prototypes and sample units, which are expected to be utilized at industry trade shows and for presentations to potential buyers. Each prototype unit is estimated to cost approximately \$50,000, with the initial budget providing for three (3) prototype units plus a small contingency amount. If the Company is successful in raising at least fifty per cent (50%) of the maximum offering, the Company will begin production on the first 3 complete units, which would be available for delivery on initial orders, if any. If the Company is successful in raising at least seventy-five per cent (75%) of the maximum offering, the Company will increase production on additional units. As more units are produced, the cost per unit is expected to decrease, as the Company should be able to increase the purchase of raw materials at a higher volume thereby lowering those costs. If the Company is successful in raising one hundred per cent (100%) of the maximum offering, the Company will ramp up production of the units to meet the expected demand as the product line is more readily accepted in the marketplace due in part to the increased activity in the Company's Sales and Marketing efforts. It should be noted that there can be no guarantee that any of the Company's sales and marketing goals will be met, and therefore the demand for the Company's product line would be directly affected.

Under Net Proceeds, the resources allocated to the acquisition and development of products in the Company's Product Development will be increased in proportion to the total amount raised from the proposed funding described herein. In acquiring products from third parties, it is anticipated that the purchase price will be a combination of cash and stock. At present, the Company plans on utilizing approximately thirty per cent (30%) of available proceeds for in-house development of products and seventy per cent (70%) of available proceeds allocated for third party product acquisitions.

Under Net Proceeds, the Company plans to acquire and roll-up small companies that have a complementary business model and or products that would enhance the Company's ability to successfully implement its business plan. The amount of resources allocated to these endeavors are directly related to total amount raised, from a minimum of one hundred thousand dollars (\$100,000) at the twenty-five percent (25%) level up to a maximum of three hundred thousand dollars (\$300,000) if the offering is fully subscribed. As with funds directed for Product Development, it is anticipated that the purchase price for any specific corporate acquisition will be a combination of cash and stock.

Under Net Proceeds, the Company plans to utilize approximately twenty per cent (20%) of the "Working Capital" allocation to develop, design and roll-out a professional user friendly web-site, incorporating all of the existing social media tools, multi-media and links to fully explain the Company's vision and to allow the user to access all aspects of the Company's planned operations, including product descriptions, graphics, video and all other informational tools available. The specific amount to be allocated to this project will be directly related to the total amount raised.

Potential Dilution for New Investors in Regulation A Tier 1 Offering

For those individuals and entities purchasing shares in the Regulation A Tier 1 Offering, their ownership interest in our Common Stock will be diluted immediately, to the extent of the difference between the price to the public charged for each share in this offering and the net tangible book value per share of our Common Stock after this offering.

The Company's historical net tangible book value as of December 31, 2018 was a deficit of (\$5,297,278) or (\$0.001) per then-outstanding share of our Common Stock. Historical net tangible book value per share equals the amount of our total tangible assets less total liabilities, divided by the total number of shares of our Common Stock outstanding, all as of the date specified.

The following table illustrates the per share dilution to new investors discussed above, assuming the sale of, respectively, 100%, 75%, 50% and 25% of the shares offered for sale in this offering (after deducting estimated offering expenses of \$27,000, \$27,000, \$27,000 and \$27,000, respectively):

Percentage of shares offered that are sold	100%	75%	50%	25%
Number of Shares Sold	20,000,000,000	15,000,000,000	10,000,000,000	5,000,000,000
Price to the public charged for each share in this offering	\$0.0001	\$0.0001	\$0.0001	\$0.0001
Historical net tangible book value per share as of December 31, 2018 (1)	-\$0.001	-\$0.001	-\$0.001	-\$0.001
Total Number of Shares Outstanding prior to this Offering (as of December 31, 2018)	5,058,067,087	5,058,067,087	5,058,067,087	5,058,067,087
Total Number of Shares Outstanding after this Offering	25,058,067,087	20,058,067,087	15,058,067,087	10,058,067,087
Net Proceeds after this Offering (2)	\$1,973,000	\$1,473,000	\$973,000	\$473,000
Net Tangible Book Value Prior to Offering	-\$5,297,278	-\$5,297,278	-\$5,297,278	-\$5,297,278
Net Tangible Book Value After this Offering	-\$3,324,278	-\$3,824,278	-\$4,324,278	-\$4,824,278

Increase/Decrease in net tangible book value per share attributable to new investors in this offering (2)	-0.0010	-0.0009	-0.0008	-0.0006
Net tangible book value per share, after this offering	-0.0001	-0.0002	-0.0003	-0.0005
Dilution per share to new investors	-0.0002	-0.0003	-0.0004	-0.0006

(1) Based on net tangible book value as of December 31, 2018 of (\$5,297,278) and 5,058,067,087 outstanding shares of Common Stock as of December 31, 2018. There has been no Common Stock issued during fiscal year 2019 as of March 31, 2019.

(2) After deducting estimated offering expenses of \$27,000.

14. Subsequent Events

None.