



# KCMH

Annual Report

December 31, 2009



Holdings  
Corporation



# **KCMH Current Information Report**

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## **A. General Issuer Information**

### **Item I. The exact name of the issuer and its predecessor**

Current name is KCM HOLDINGS CORP. (KCMH)

November 2004 – March 2007 Enray Autosystems, Inc.

### **Item II. The address of the issuer's principal executive offices.**

7011 Ash Street  
Frisco, TX 75034  
Telephone: 888-897-5274  
Fax: 214-872-2537  
www.thekcmgroup.com

### **Item III. The jurisdiction and date of incorporation.**

Incorporated in Nevada, 2004

### **Item IV. The name and address of the transfer agent**

Holladay Stock Transfer  
  
2939 North 67th Place  
Scottsdale, AZ 85251  
Phone: 480-481-3940  
Registered under the Exchange Act

### **Item V. The nature of the issuer's business**

Business Development and Incubation

#### **A. Business Development**

1. Form of organization: Corporation
2. Year of Incorporation: 2004
3. Fiscal year end date: Dec 31
4. KCMH has not been in bankruptcy, receivership or any similar proceeding.
5. There has been no material change in ownership in any significant amount of assets.
6. There has been no default in any note, loan, lease or other indebtedness arrangement.
7. Recent change of control: The majority shares of KCMH (formerly ERYA) were acquired by KCM Holdings Corp in March, 2007. The name was changed in March, 2007.

8. There has been no increase of 10% or more of the same class of outstanding equity securities.
9. There are no pending or anticipated stock splits, stock dividend, recapitalization, spin-off or reorganization. There have been two acquisitions. KCMH acquired the Canadian company Blue Energy Communications, Inc.'s assets in January 2008. Blue Energy was integrated into KCMH for its business consulting, competitive sourcing and facilitation services business. KCMH also acquired Professional Bowlers, Inc. a Florida Sports Award and Memorabilia company. As new owners of the company now called KCMH Florida KCM Holdings is currently implementing new development strategies that include a new e-commerce and branding program.
10. The Issuer has not encountered any delisting from any securities exchange or deletion from the OTC Bulletin Board
11. There are no current legal proceedings against the Issuer.

## **A. Business of Issuer**

1. SIC code is 6282, 8748
2. The Issuer is currently conducting operations.
3. The Issuer is not a Shell Issuer under Rule 405 of the Securities Act
4. The Issuer has no parent Issuer.
5. There are no existing or probable government regulations that affect KCMH.
6. KCMH business development and incubation revenues are built upon 3 primary proprietary strategies, one of which is based on a patented knowledge transfer technology through a strategic alliance. All consulting fees charged to clients strengthens these strategies through applied implementation which bears no cost to KCMH or the client.
7. There are no environmental laws on the products of the Issuer.
8. The Issuer has 17 employees, of which 10 are full-time.

## **Item VI. The nature of products or services offered.**

A. KCMH is an incubation, development and holding company with an Alternative Asset Management Arm that manages a proprietary hedge fund with the objective of generating superior risk adjusted returns for our investors. Our products or services and their markets are described below:

### **Consulting Services**

Clients who need incubation services often need strategic business consulting. Because of the experience of the KCMH team, we are able to provide a wide array of consultation services from media, marketing, operations, business development, financial management, human resources and more.

Consulting services are billed to the client through flat hourly rates or performance-based revenue sharing, or a combination of both.

### **Incubation Partnerships**

Often, after consultation services, KCM will identify a client with an ideal high leverage revenue opportunity, to which KCM may offer an incubation partnership arrangement. At this phase, KCM will fully or partially acquire the company. This also includes companies that are in distress and undervalued. KCM will then work as a partner to refine the business to its fullest potential.

As an incubation partner, KCM's revenue in this phase is tied entirely to performance of the company. This also includes securing the exclusive rights to bring the company public.

### **Public Markets**

After a successful incubation, KCM may decide to bring the company public. KCM will only execute this strategy with companies that have maximum viability at this level. The company will be brought public first on the OTC market and then carefully guided to fully reporting and larger board status.

This phase represents the highest value and revenue potential of all 3 phases.

### **Alternative Asset Management**

KCM will allocate a portion of revenue from each of the above phases and invest it into its Alternative Asset Management Segment of business through KCMTG. Using proprietary in-house financial modeling The KCM Relativity Fund will continue to multiply KCM's revenue and increase its asset base, thereby creating a perpetual return on investment and value for the company and its shareholders.

Having an in-house financial strategy and execution model is a major differentiator between KCM and other solely revenue-based companies. This strategy allows KCM to be financially stabilized and protected across multiple streams and opportunities.

KCMH generates its revenues by charging either flat consultation fees, revenue/royalty share arrangements, full or partial equity in the venture or a combination of the three.

KCM Holdings Corporation (OTC: KCMH) is the cornerstone of the KCMH Group. The KCMH Group is a global strategic business incubation and development consultancy and holdings conglomerate of companies, brands, and alliances. KCMH recognizes and embraces the need for change in the way business is conducted. From concept to company, our purpose and passion is business incubation - the complete development of innovative and profitable new businesses and next generation entrepreneurs from across all industry sectors.

Specializing in a range of strategic business development, operational planning, business communications, marketing and media technologies, KCMH's focus is to create enduring social and economic value for its clients, shareholders and other constituents. We focus on improving operational efficiencies and creating global opportunities for our partners and clients.

Anchored by the publicly traded entity, KCM Holdings Corporation (KCMH), KCMH is comprised of five integrated core business units: KCM Strategic Venture Group (KCMSVG); KCM Strategic Media Group (KCMSMG); KCM Trading Group (KCMTG); KCM Venture Philanthropy Group (KCMVPG) and KCM Insurance Services (KCMIS). KCMH's unique advantage is the ability to leverage its in-house expertise and resources to fully service the needs of its business development and incubation clients, delivering value, cost-savings and high performance and profitability.

### **Business Strategy & Operations Planning and Implementation Services:**

KCM Strategic Venture Group ("KCMSVG") is responsible for designing and developing the business and operational strategies used to successfully develop companies and incubate profitable publicly traded ventures.

### **Marketing, Advertising and Communication Services:**

KCM Strategic Media Group ("KCMSMG") is responsible for the delivery of marketing, advertising and communication services to KCMSVG clients, as part of the business incubation process. This includes marketing strategy development, media buying services, and the utilization of the most up-to-date advertising tactics, including efficaciously leveraging technology for maximum market penetration and profitability.

### **Asset Acquisition & Management:**

The KCM Trading Group (“KCMTG”) is the company’s Alternative Asset Management division. KCMTG is responsible for developing core KCMH strategies and supporting tactics essential for exploring global opportunities that provide risk-adjusted returns for KCMH and our investors. These strategies include investments in stock, currencies, ETF’s, and Funds. KCMTG is also the managing member of the KCM Relativity Hedge Fund.

### **Community Involvement & Brand Management**

KCM Venture Philanthropy Group (“KCMVPG”) works to ensure the companies KCM SVG develops and incubates are integrated in their respective communities. This is an important component of a company’s brand management, since companies that are actively involved in the community will develop a loyal following of brand advocates for their products and services.

### **Insurance Services:**

KCM Insurance Services (KCMIS) is a comprehensive insurance agency offering medical insurance and life insurance coverage at competitive rates. In 2009 KCMIS added mortgage protection insurance to its offering.

### **Financial Structuring:**

The foundation of these three components is a profitable and sustainable financial model. KCMH designs and integrates the financial models necessary to lead and support our clients’ scalable growth and value. With over 40 years of combined Wall Street experience in trading, financial modeling, and a certified fraud examiner as part of our team, KCMH is an invaluable financial resource for our clients.

### **IP Development:**

In addition to these core competencies, KCMH has developed and acquired a host of intellectual properties and trademarks through The Institute, a division of KCMH which hosts the company’s numerous patents.

### **Why KCMH:**

**Portfolio & Venture Diversity** - KCMH is positioned for stability in all economic conditions as a result of its participation in multiple industries and its focus on major growth sectors, including Green businesses and sustainable lifestyle companies.

**Patented Technology and Intellectual Properties** - KCMH has created and secured the rights to several technology and IP assets that provide the company access to several niche markets.

**Synergistic Core Competencies** - Despite its diversity, KCMH selectively and explicitly focuses on incubating ventures that are financially viable; fall within the company’s strategic core skill set; and synergize other assets for maximum leverage.

**Rock-Solid Financial Foundation** - KCMH’s management team are experienced in the common pitfalls and mistakes of publicly traded companies, and have created internal controls to ensure the company’s continued and sustained profitability.

**Ability to Bring Other Ventures Public** – KCMH is experienced in turning private companies into publicly traded entities, and has developed systems and supporting methodologies to assist private companies raise capital and obtain liquidity through public markets.

**Managing Member of a Hedge Fund** - KCM Holdings Corp was instrumental in the formation of the KCM Relativity Hedge Fund, which will implement proprietary financial strategies to increase financial growth and revenue.

KCMH has experienced profitable growth in the past 12 months and is targeting additional high leverage opportunities for 2009 and beyond.

### **KCM Strategic Venture Group (KCM SVG)**

KCMSVG is the strategic business development and incubation consulting arm of The KCMH Group. KCMSVG is responsible for designing and developing the business and operational strategies used to successfully develop companies and incubate profitable publicly traded ventures.

KCMSVG is led by an experienced strategic execution, advisory and consultation team that has successfully serviced the strategic planning, modeling, process design and development needs of companies and government organizations in various industries, including:

- Education
- Energy
- Entertainment
- Financial
- Government and Political Campaigns
- Health and Wellness
- Intellectual Property Development
- Military
- Non-Profit
- Publishing
- Real Estate
- Technology

**KCMSVG solutions include the areas of:**

- Business Development & Incubation Solutions
- Business Strategic Planning & Facilitation Solutions
- Branding & Marketing Design, Development & Execution

**KCM Strategic Media Group (KCMSMG)**

KCMSMG is responsible for the delivery of marketing, advertising and communication services to KCMSVG clients, as a consulting service or as part of the business incubation process. This includes marketing strategy development, media buying services, and the utilization of the most up-to-date advertising tactics, including efficaciously leveraging technology for maximum market penetration and profitability.

**KCMSMG solutions include the areas of:**

- Advertising and Marketing Program Strategic Planning
- Advertising Collateral Design & Development (Print, Visual, Audio, Electronic)
- Commercial Art & Graphic Design
- Commercial Photography
- Conference, Event & Tradeshow Design & Management
- Exhibit Design & Implementation
- Market Research & Analysis
- Media Buying
- Public Relations
- Video/Film Production
- Web Based Viral Marketing & Search Engine Optimization

**KCM Trading Group (KCMTG)**

The KCM Trading Group is the in-house Alternative Asset Management segment of KCMH. KCMTG is responsible for actively developing the core KCMH strategies and supporting tactics essential to exploiting global opportunities. These activities will generate risk-adjusted returns for KCMH and its investors. These strategies include investment in stocks, currencies, ETF's, and Funds. KCMTG serves as the internal financial engine charged with exponentially growing the KCM Group's financial models and assets.

### **KCM Venture Philanthropy Group (KCMVPG)**

KCMVPG represents and executes the greater vision and mission of the KCM Group. Focusing on creating a sustainable social difference through the integrated involvement of business development of the global economy, one community at a time, KCMVPG develops successful ethical ventures that through their success and profitability will improve both their immediate communities and the world around them. Venture philanthropy has become a major economic shift in the way "next generation businesses" do business. Consumers are no longer looking for companies with products only, but companies with purpose. KCMVPG will be executing a series of venture philanthropy activities in the near future, as KCMH incubated ventures in the areas of Green Energy and Health and Wellness are developed and become profitable.

### **KCMVPG Core Values**

- Contribute to achieving a sustainable environment
- Engage in ethical and fair-trade business practices
- Democratization of education and information
- Create a culture of honesty, integrity, and accountability

### **Current Key Examples of Venture Philanthropy's Viability Include:**

- Google.org and the Google Venture Philanthropy Fund
- Dove Products and the Dove Self-Esteem Fund
- Ben & Jerry's Ice Cream and the Hot Fudge Social Venture Fund

### **KCM Relativity Fund**

The KCM Trading Group is the managing member of a new proprietary hedge fund, the KCM Relativity Hedge Fund. This proprietary hedge fund is KCM's newest revenue source, designed to deliver risk-adjusted returns for our investors.

The Fund's objective and strategy is to generate high returns on investments by investing in global markets and global opportunities. The Fund will primarily engage in long-term investing and trading using its proprietary techniques to investing and short term trading.

### **The KCM Revenue Growth Strategy**

KCM Holdings Corporation recognizes the importance of the reputation and integrity. These are invaluable assets, vital to the Company's success. Our policy is one that encourages a culture of honesty, accountability and mutual respect among all employees to the benefit of all involved parties.

- Continue to increase shareholder value through development of current and future business holdings.
- Adhere to the delivery of exceptional value propositions through innovative solutions executed with pride, passion and commitment to shareholders and companies we work with.
- Continue to develop and execute proprietary revenue models through its value and revenue growth models.
- Continue to self-fund and accumulate assets under management for The KCM Trading Group to provide maximum return for the company and shareholder value.

Our focus is to create long-term value for our shareholders. We only pursue ideas, selectively and opportunistically, that will add to our investment team's expertise and product offerings.

KCM currently has little to no debt. This is in part to KCM's performance-based revenue model.

## **B. Distribution methods of the products or services;**

KCMH distributes its services through a combination of channels and tactics. First, KCMH seeks to create strong strategic alliances that act as a source for incubation client referrals. Second, KCMH works with a network of both in-house and subcontractor consultants who source business using KCMH sales techniques. KCMH licenses consultants in KCMH's proprietary business development strategies which create awareness and open distribution opportunities for KCMH's services. Currently, major consultation hubs have been opened in Dallas, Nashville, Calgary Canada, and Hong Kong. KCMH publishes books, DVD's and other fixed media training material to further increase awareness and prospect pools. Finally, KCMH creates revenue from products and services distributed by its wholly owned core subsidiaries. These subsidiaries defined are:

KCM Strategic Media Group – Consulting services and branding.

KCM Trading Group – Alternative assets and hedge fund management.

KCM Venture Philanthropy Group – Working with non-profit organizations and social enterprise.

KCM Insurance Services – Life, Medical and Mortgage Protections Insurance.

## **C. Status of any publicly announced new product or service;**

### **CT Dental America Corp.**

After a few months of operation, KCMH felt it was in the best interest of shareholders and all interested parties to suspend development of this incubation model. These decisions were due in large part to the global economic conditions and competitive landscape in the industry. The CT Dental project has been placed on hold indefinitely and will be re-evaluated by 2011.

### **Geenius Inc.**

GEENIUS Inc is in its final stages of becoming a publicly traded company. KCMH in conjunction with GEENIUS has launched a beta community called "G-LAB" which fully features the capabilities of this patented learning retention software. The GEENIUS solution has already been integrated into several of KCMH's ventures such as KCM Insurance Services as a backend learning retention and management solution.

### **MyPerfectEconomy.com**

The My Perfect Economy model is being transitioned to support the KCM Venture Philanthropy Group model to assist non-profits in operations and marketing. KCMH is in the process of partnering with non-profit organizations to create global humanitarian projects as KCMH becomes more profitable as a company.

### **KCM Trading Group**

KCM Trading Group is currently seeking funding on multiple levels for its innovative alternative asset model. In 2010, KCMTG expects to become a major factor in KCMH's success.

### **Lou Scalia's**

Lou Scalia's as a trophy and awards company continue to create a consistent source of revenue. As with most business industry, the economic recession did affect this company however key management decisions have allowed Lou Scalia's to remain a very viable entity within KCMH's portfolio.

### **Empire Records**

Empire Records entered into an incubation agreement with KCMH in Q4 of 2009. Empire is a vertical music entertainment and distribution company with properties in various music genres. Empire is expected to announce its distribution partner, one of the top five currently in the industry, in 2010.

### **Green Energy Companies**

In 2009, KCMH announced it is in current negotiations with alternative and sustainable energy companies, especially in the fields of recycling and wireless power management. As negotiations are still in progress, announcements will be made in 2010.

## **D. Competitive business conditions, the issuer's competitive position in the industry, and methods of competition;**

In 2009, the economic conditions for KCMH seemed to improve and stabilize, however with much caution from the financial and business sectors. However, KCMH began to receive substantial market recognition towards the end of the year.

Currently, the business conditions of KCMH's target market continue to be favorable. Typically in economically challenged and volatile seasons, small businesses seek out consultation and methods to improve business development. KCMH is well positioned in this market because of its performance-based approach by structuring mutually beneficial agreements that reduce upfront cash requirements from clients but larger revenue/royalty share and equity agreements which builds KCMH's assets and value.

KCMH continues to be positioned with two other major advantages: Low overhead and debt levels through virtual operational planning and proprietary business development strategies. Because KCMH utilizes independent licensed consultants that are compensated primarily on performance, the company does not have a high salary overhead and can keep consulting rates highly competitive. Also KCMH utilizes technology to assist in the management of an international operation without the overhead of centralization and travel.

KCMH's proprietary business development strategies are up-to-date with current market trends. Particularly focused on demographics and psychographics of major consumer markets such as "Generation Y" or the "Millennials", KCMH is positioned to capitalize on media, technology and consumer trends. These proprietary strategies are also used to resuscitate and maximize undervalued companies that KCMH acquires for steep discounts.

KCMH has also partnered in the educational industry with Master's Academy & College. A K-12 school which allows KCMH to utilize office space and a collaborative workspace in exchange for consultation and participation in educational activities. Through initiatives such as these, KCMH generate community awareness and goodwill to further enhance its competitive positioning.

In order for KCM Holdings Corporation to effectively navigate the competitive landscape, a two-tiered analysis approach has been established. The first tier of competition includes venture capital firms and business incubators. The second level of competition includes individual companies with the same products and services as KCMH's various revenue models and subsidiary companies.

### **Tier 1: Venture Capital Firms & Business Incubators**

**Strengths:** Venture capital firms and business incubators can represent formidable competition as a result of their substantial funding and industry exposure. These companies can easily penetrate barriers of entry based on their financial strength and market penetration.

**Weaknesses:** As formidable as their track records can be, these companies can become cumbersome and lack the flexibility of smaller competitors. Their inability to respond quickly to market opportunities is a distinct disadvantage.

Opportunities: By identifying changing market conditions and identifying investment opportunities, KCMH can react quickly establish a presence in the market before larger Venture capital firms and incubators can. Another opportunity currently being leveraged by KCMH is to form strategic alliances and equity-based relationships with these firms, creating value for all parties.

Threats: There are various degrees of threats from larger venture capital firms and business incubators. These companies may see the value of establishing smaller divisions in order to pursue smaller and flexible opportunities. An example of this would be large private equity firms establishing funds for micro-cap opportunities.

## **Tier 2: Individual Companies with Similar Products and Services**

Strengths: There are several companies that directly compete in the same industries as KCMH's revenue models and business holdings. One example in children's developmental media is Baby Einstein, a subsidiary of Disney Entertainment. Companies such as Disney Entertainment expend significant resources too their singular focus of establishing, maintaining and increasing market share. They are well-funded and have national and international brand recognition, which creates significant barriers of entry.

Weaknesses: Focusing on single income streams or industries also represents a weakness. Should economic trends or competitive landscapes change, these companies could risk significant financial exposure.

Opportunities: The opportunity presented by this tier of competition can be found in KCMH's diversification across multiple industries and consumer demographics. Should one particular revenue model or subsidiary encounter unfavorable market conditions, there is less of a threat to KCMH as a whole.

Threats: The largest threat comes from the sheer number of companies that compete in similar industries as KCMH revenue models and subsidiaries. Established companies and new entries into the industry represent a constant stream of threats to KCMH's success.

Overall, the understanding of the strengths, weaknesses, opportunities and threats from these two tiers of competitors prepare KCM Holdings Corp. to react quickly to competitive market opportunities. KCMH continues to diligently research and analyze its competition in order to identify competitive opportunities, mitigate risk and ensure the company maximizes financial returns to its shareholders and increases market penetration in the industries in which it operates.

**E. Raw materials / suppliers – The Issuer has no major raw materials suppliers to date.**

**F. The Issuer is not dependent upon any major customers.**

**G. KCM Insurance Services, LLC. Is licensed and approved to do business as a General Lines Insurance Agency. KCM Trading Group, LLC. Is a Registered Investment Adviser with the State Securities Board of Texas.**

In general KCMH holds revenue share and royalty agreements with several client companies that range in scope and time. The major royalty and revenue share agreement that will be the focus for KCMH incubation clients will be a revenue share with GEENIUS Inc. US patented online learning retention platform, no duration limit, of all business referred and generated from KCMH. KCMH has also licensed the use of GEENIUS Inc's "Organizational Brilliance" business development and consulting model based on the same patented learning methodology and technology.

## **H. KCM Holdings Corp Alternative Asset Management Arm The KCM Trading Group's registration was approved through the Texas State Securities Board as An Investment Adviser.**

The KCM Trading Group will maintain this registration to operate and grow this segment of its business. There are no other approvals needed by any government agencies for the use of the Issuer's products.

### **Item VII. The nature and extent of the issuer's facilities.**

#### **Home Office:**

The Issuer has offices at:

7011 Ash Street  
Frisco, Texas 75034

#### **KCMH Florida Office:**

2317 South University Dr.  
Davie, Fl. 33324

#### **Calgary Office:**

315 Hawkstone Manor NW  
Calgary AB, T3G – 3X2

Masters Academy & College use of Collaborative Facilities called the "Navigation Centre" Part of a Strategic Alliance with Masters and GEENIUS 4414 Crowchild Trail SW Calgary, AB, CA T2T 5J4

#### **Hong Kong Office:**

Flat B2, 22 Floor, Fu-Yue Building,  
269 Castle Peak Road,  
Tsuen Wan, NT  
Hong Kong

## **Part B. Share Structure and Issuance History**

### **Item VIII. The exact title and class of securities outstanding.**

1. CUSIP number is 48242 V 108
2. Ticker: KCMH

### **Item IX. Description of the security.**

- A. Par value of Common Stock is \$.001 Par value of Preferred Stock is \$.001.
- B. Stock rights
  1. One share of common stock has one vote in any called shareholder's meeting.

Shareholders in the common stock of the Issuer shall equally share in any called dividend authorized by the board decision. There are no restrictions to the common stock unless a transfer restriction is placed on the share.

2. Preferred Stock. Class A Preferred Stock is authorized for 50:1 conversion rights and 50:1 voting rights.

### **Item X. Equity Structure.**

As of 12/31/09 there are:

500,000,000 common shares authorized

67,420,912 common shares outstanding

160 shareholders

32,397,066 shares in the float

As of 12/31/2009 there are:

50,000,000 preferred shares authorized

45,000,000 preferred shares issued.

### **Item XI. Securities offerings and shares issued for services.**

In February of 2008 KCM Holdings Corp under Securities Act Rule 504 sold 200,000 @ .125 cents for \$25,000.

As far as the current management knows, no shares from the company have been issued for services in past two years.

In June and July of 2009 KCM Holdings Corp under Securities Act Rule 506 sold 2,500,000 @ .016 cents for \$40,000.

## **Part C Management and Control Structure**

### **Item XII. The Officers and Control Persons.**

#### **A. Officers and Directors.**

##### **Donald Klein, CEO, President and Chairman of the Board**

Mr. Klein brings a reputable and experienced background of entrepreneurial success to the Company and is responsible for its private equity and publicly traded investment businesses. He is Chairman of the board of directors and founder of KCM Holdings Corp.

Mr. Klein's diverse investment and management acumen lends itself to the credibility and strength of the KCM Holdings Corporation business strategy. His experience ranges from building multi million-dollar producing insurance agencies where he also held positions as managing partner and director of Insurance Services at Southwest Texas Capital, to trading for hedge funds and proprietary capital for a number of Wall Street Firms. Mr. Klein understands the necessity of building management teams for successful exponential growth and financial returns. Mr. Klein received his M.B.A. from Southern California University for Professional Studies.

##### **John F. Steen, Chief Financial Officer**

CPA. Mr. Steen, a Certified Public Accountant, has over 20 years experience as a Chief Financial Officer for both publicly traded and privately held corporations. Mr. Steen has extensive experience working with private and institutional investors, and with regulatory agencies at the state and federal level. Mr. Steen is also a Certified Fraud Examiner.

#### **Ed Kang, Chief Operating Officer**

Mr. Kang has many years of entrepreneurial and management experience in strategic business development on both local and international scales. In 1997 he founded media firm, K2M, with Donald Klein in South Florida. Mr. Kang was able to negotiate a strategic alliance with The International Museum of Cartoon Art, which at the time was the world's largest cartoon strip and animation museum. The multi-national Latin entertainment conglomerate Caiman Entertainment later acquired K2M. While at Caiman Entertainment, Mr. Kang served as a creative director in intellectual properties development, managing brand identities for television and recording artists, including Chi Chi Peralta who was nominated for a Latin Grammy awards.

During the same time, Mr. Kang provided branding and design work for Warner/Chappell Music Publishing, which at that time was a division of AOL Time Warner, providing support for national marketing strategies to major advertising agencies and commercial brand managers.

### **B. Legal/Disciplinary History**

1. There have been no criminal actions against any of the above members.
2. There has been no order, judgment, or decree by a court against any of the above members.
3. There have been no findings or judgment from the SEC, CFTC, or state securities

Regulatory agencies against any of the above members.

4. There has been no order barring, suspending, or otherwise limiting any of the above persons' involvement in any type of business or securities activities.

### **C. Disclosure of Certain Relationships**

The issuer has no knowledge of any broker-dealer(s) or associated person(s) who is submitting quotations with respect to the Issuer's Common Stock, who may be associated, directly or indirectly, with the issuer.

### **D. Disclosure of Conflict of Interest**

There are no transactions or conflicts of interests between any related party, executive officer, or director with competing professional or personal interests.

### **Item XIII. Beneficial Owners**

The following individuals/companies have more than 5% Preferred A shares in KCMH.

#### **Donald Klein**

Klein Capital Management 5729 Lebanon Rd Suite 144-128 Frisco, TX 75034

Donald Klein currently has 6,000,000 shares of restricted Common shares.

### **Item XIV. Advisors**

**A. Legal Counsel:**

Donald M. Brown JR

McMullen Associates, LLC

10701 McMullen Creek Parkway, Suite B, Charlotte, North Carolina 28226

**B. Legal Counsel:**

Investment Law Group

1230 Peachtree Street NE Suite 2445, Atlanta, Georgia 30309

**C. Legal Counsel:**

20/20 Law Group

110, 7330 Fisher Street S.E., Calgary, Alberta T2H 2H8

**D. Accounting/Audit firm**

KCMH is in process of selecting a public accounting firm to audit its financial statements.

## Part D Financial Information

### Item XV. Financial Information for Most Recent Fiscal Period

#### UNAUDITED

#### KCM Holdings Corp. and Subsidiaries Consolidated Statements of Cash Flow Year Ending December 31, 2009

	<u>2009</u>
<b>Cash Flows From/(Used For) Operating Activities</b>	
Net Income/(Loss)	\$ 104,200
Adjustments to reconcile net income/(loss) to net cash provided (used for) operations	
Depreciation	16,000
Increase in accounts receivable	(141,000)
Decrease in prepaid expenses	33,000
Decrease in inventory	10,000
Decrease in accounts payable	(1,016)
<b>Net Cash Used in Operating Activities</b>	<u>21,184</u>
<b>Cash Flows From/ (Used For) Investing Activities</b>	
Increase in organizational and development costs	(70,300)
Purchase of securities	(4,710)
Investor Capital	
<b>Cash From/(Used For) in Investing Activities</b>	<u>(75,010)</u>
<b>Cash Flows From/ (Used For) Financing Activities</b>	
Increase in additional paid - in capital	7,680
<b>Cash From/(Used For) in Financing activities</b>	<u>7,680</u>
Net Increase in Cash for Period	(46,146)
Cash at Beginning of Period	<u>53,846</u>
Cash at End of Period	\$ 7,700

## UNAUDITED

### KCM Holdings Corp. and Subsidiaries Consolidated Balance Sheet December 31, 2009

<b>ASSETS</b>	<b>December 31, 2009</b>
Current Assets	
Cash & cash equivalents	\$ 7,700
Accounts receivable	141,000
Inventory	60,300
Short-term investments	104,600
Total Current Assets	<u>313,600</u>
Organizational and development costs	70,300
Fixed Assets	
Property & equipment	<u>66,680</u>
<b>TOTAL ASSETS</b>	<b>\$ 450,580</b>
<hr/> <b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	
Current Liabilities	
Accounts payable	\$ 17,300
Total Current Liabilities	<u>17,300</u>
Stockholders' Equity	
Common shares, \$.001 par value; 500,000,000 authorized 67,420,000 issued and outstanding	67,420
Preferred shares, \$.001 par value; 50,000,000 authorized 45,000,000 issued and outstanding	45,000
Additional paid-in capital	228,760
Retained earnings	92,100
Total Stockholders' Equity	<u>433,280</u>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 450,580</b>

**KCM Holdings Corp. and Subsidiaries**  
**Consolidated Statements of Income**  
**For the Year Ending December 31, 2009**

UNAUDITED

	<u>2009</u>
Revenues	\$ 856,600
Sales and Marketing Expenses	426,100
General and Administrative Expenses	
Occupancy	85,500
Professional Fees	45,000
Other	179,800
Total General and Administrative	<u>310,300</u>
Earnings Before Depreciation, Interest and Taxes	120,200
Depreciation	<u>(16,000)</u>
Net Income	\$ 104,200

UNAUDITED

**KCM HOLDINGS CORP.**  
**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**  
**For the Twelve Months Ending December 31, 2009**

	Common Shares			Retained Earnings	Preference Shares		Total Shareholders' Equity
	Number of Shares	Par Value	Additional Paid-In Capital		Number of Shares	Par Value	
BALANCE January 1, 2009	75,100,000	\$75,100	\$ 221,080	(\$12,100)	45,000,000	\$45,000	\$329,080
Retirement of common shares	(7,680,000)	(\$7,680)	\$7,680				
Net income				\$104,200			\$104,200
BALANCE December 31, 2009	67,420,000	\$67,420	\$228,760	\$92,100	45,000,000	\$45,000	\$433,280

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**December 31, 2009**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Development Stage Company**

KCM Holdings Corp. and wholly-owned Subsidiaries, KCM Insurance, KCMSMG USA, KCM Strategic Venture Group, KCMH Florida, KCM Relativity Fund and the KCM Trading Group (the Company) are development stage companies defined under Statements of Financial Accounting Standards No. 7.

**Revenue Recognition**

KCM Holdings Corp. and its subsidiaries use the accrual basis of accounting.

**Risks and Uncertainties**

The Company's operations will be subject to significant risk and uncertainties including financial, operational, regulatory and other risks associated with a development stage company, including the potential risk of business failure.

**Use of Estimates**

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

**Cash and Cash Equivalents**

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

The Company minimizes its credit risk associated with cash by periodically evaluating the credit quality of its primary financial institution. The balance at times may exceed federally insured limits. At December 31, 2009, there were no balances that exceeded the federally insured limit.

### **Beneficial Conversion Feature**

Pursuant to Emerging Issues Task Force Issue No. 98-5 ("EITF 98-5"), *"Accounting For Convertible Securities with Beneficial Conversion Features or Contingently Adjustable Conversion Ratio"* and EITF Issue No. 00-27, *"Application of EITF Issue No. 98-5 to Certain Convertible Instruments,"* if the Company were to record a beneficial conversion feature, the fair value of the beneficial conversion feature would be recorded as a debt discount up to a maximum amount equivalent to the face amount of the debt instrument. The discount would be amortized to interest expense over the life of the debt.

### **Earnings per Share**

Basic earnings (loss) per share is computed by dividing net income (loss) by weighted average number of shares of common stock outstanding during each period. Diluted earnings (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock, common stock equivalents and potentially dilutive securities outstanding during the period. For the period from January 1, 2009 (inception) to December 31, 2009, the Company had no common stock equivalents that could potentially dilute future earnings (loss) per share; hence, a separate computation of diluted earnings (loss) per share is not presented.

### **Stock-Based Compensation**

There was no stock-based compensation during 2009. Any future share-based payments to employees will be recorded and expensed in the statement of operations as applicable under SFAS No. 123R *"Share-Based Payment"*.

### **Non-Employee Stock Based Compensation**

There were no stock-based awards to non-employees during 2009. Future stock-based compensation awards issued to non-employees for services will be recorded at either the fair value of the services rendered or the instruments issued in exchange for such services, whichever is more readily determinable, using the measurement date guidelines enumerated in Emerging Issues Task Force Issue EITF No. 96-18, *"Accounting for Equity Instruments That Are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services"* ("EITF 96-18").

### **Fair Value of Financial Instruments**

The carrying amounts of the Company's short-term financial instruments, including prepaid expenses and loan payable, approximates fair value due to the relatively short period to maturity for these instruments.

### **Segment Information**

The Company follows Statement of Financial Accounting Standards No. 131, *"Disclosures about Segments of an Enterprise and Related Information."* During 2009, the Company did not operate in any segments; therefore, segment information has not been presented.

### **Recent Accounting Pronouncements**

In December 2007, the FASB issued SFAS No. 160, *"Noncontrolling Interests in Consolidated Financial Statements, an amendment of Accounting Research Bulletin No 51"* ("SFAS 160"). SFAS 160 establishes accounting and reporting standards for ownership interests in subsidiaries held by parties other than the parent, changes in a parent's ownership of a noncontrolling interest, calculation and disclosure of the consolidated net income attributable to the parent and the noncontrolling interest, changes in a parent's ownership interest while the parent retains its controlling financial interest and fair value measurement of any retained noncontrolling equity investment. SFAS 160 is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. Early adoption is prohibited. The adoption of SFAS No. 160 did not have a material effect on the Company's financial position, results of operations or cash flows.

In December 2007, the FASB issued SFAS 141R, "*Business Combinations*" ("SFAS 141R"), which replaces FASB SFAS 141, "*Business Combinations*". This Statement retains the fundamental requirements in SFAS 141 that the acquisition method of accounting be used for all business combinations and for an acquirer to be identified for each business combination. SFAS 141R defines the acquirer as the entity that obtains control of one or more businesses in the business combination and establishes the acquisition date as the date that the acquirer achieves control. SFAS 141R will require an entity to record separately from the business combination the direct costs, where previously these costs were included in the total allocated cost of the acquisition. SFAS 141R will require an entity to recognize the assets acquired, liabilities assumed, and any non-controlling interest in the acquired at the acquisition date, at their fair values as of that date. This compares to the cost allocation method previously required by SFAS No. 141. SFAS 141R will require an entity to recognize as an asset or liability at fair value for certain contingencies, either contractual or non-contractual, if certain criteria are met. Finally, SFAS 141R will require an entity to recognize contingent consideration at the date of acquisition, based on the fair value at that date. This Statement will be effective for business combinations completed on or after the first annual reporting period beginning on or after December 15, 2008. Early adoption of this standard is not permitted and the standards are to be applied prospectively only. Upon adoption of this standard, there would be no impact to the Company's results of operations and financial condition for acquisitions previously completed. The adoption of SFAS No. 141R did not have a material effect on the Company's financial position, results of operations or cash flows.

In October 2008, the FASB issued FSP FAS 157-3, "*Determining the Fair Value of a Financial Asset When the Market For That Asset Is Not Active*" ("FSP FAS 157-3"), with an immediate effective date, including prior periods for which financial statements have not been issued. FSP FAS 157-3 amends FAS 157 to clarify the application of fair value in inactive markets and allows for the use of management's internal assumptions about future cash flows with appropriately risk-adjusted discount rates when relevant observable market data does not exist. The objective of FAS 157 has not changed and continues to be the determination of the price that would be received in an orderly transaction that is not a forced liquidation or distressed sale at the measurement date. The adoption of FSP FAS 157-3 is not expected to have a material effect on the Company's financial position, results of operations or cash flows.

In April 2009, the FASB issued FSP SFAS 157-4, "*Determining Whether a Market Is Not Active and a Transaction Is Not Distressed*," which further clarifies the principles established by SFAS No. 157. The guidance is effective for the periods ending after June 15, 2009 with early adoption permitted for the periods ending after March 15, 2009. The adoption of FSP FAS 157-4 is not expected to have a material effect on the Company's financial position, results of operations, or cash flows.

Other accounting standards have been issued or proposed by the FASB or other standards-setting bodies that do not require adoption until a future date and are not expected to have a material impact on the financial statements upon adoption.

## **Income Taxes**

The Company accounts for income taxes under the liability method in accordance with Statement of Financial Accounting Standards No. 109, "*Accounting for Income Taxes*." Under this method, deferred income tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

The Company adopted the provisions of FASB Interpretation No. 48; "*Accounting for Uncertainty in Income Taxes-An Interpretation of FASB Statement No. 109*" ("FIN 48"). FIN 48 contains a two-step approach to recognizing and measuring uncertain tax positions. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates it is more likely than not, that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. The second step is to measure the tax benefit as the largest amount, which is more than 50% likely of being realized upon ultimate settlement.

The Company considers many factors when evaluating and estimating the Company's tax positions and tax benefits, which may require periodic adjustments. At December 31, 2009, the Company did not record any liabilities for uncertain tax positions.

SFAS 109 requires the recognition of deferred tax assets and liabilities for both the expected impact of differences between the financial statements and the tax basis of assets and liabilities, and for the expected future tax benefit to be derived from tax losses and tax credit carryforwards. SFAS 109 additionally requires the establishment of a valuation allowance to reflect the likelihood of realization of deferred tax assets.

The Company has a net operating loss carry forward, for tax purposes, totaling \$143,750 at December 31, 2009 expiring through the year 2029. Internal Revenue Code Section 382 places a limitation on the amount of taxable income that can be offset by

carryforwards after a change in control (generally greater than a 50% change in ownership). Temporary differences, which give rise to a net deferred tax asset, are as follows:

Significant deferred tax assets at December 31, 2009 are as follows:

Gross deferred tax assets:

Net operating loss carryforwards 12/31/2008	\$ (143,750)
Estimated Income Taxes for 2009	<u>33,500</u>
Total deferred tax assets 12/31/2009	\$ (110,250)

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all of the deferred income tax assets will not be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred income tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Management does not feel that some portion of the deferred income tax assets will not be realized.

#### **NOTE 2 – DEPRECIATION**

The Company depreciates all furniture and equipment over three years and takes one-half year depreciation in the year the asset was placed in service.

#### **NOTE 3 – BASIS OF CONSOLIDATION**

Since KCM Holdings Corp. owns 99% or more of each of its subsidiaries, the Equity Method of accounting is used for the preparation of the Consolidated Financial Statements. Under the Equity Method all subsidiary revenues, expenses, tax liabilities, profits and/or losses were consolidated. The minority interests for the two subsidiaries which the Company had a ninety-nine percent ownership position were deemed immaterial and were not included on the Consolidated Financial Statements.

#### **NOTE 4 – EQUITY**

##### **Common Stock**

The Company has 500,000,000 shares of \$.001 par value authorized and 67,420,000 shares outstanding at December 31, 2008. The shares have no dividend rights, no liquidation rights, no liquidation value and no redemption rights.

##### **Preferred Stock**

The company has 50,000,000 shares of \$.001 par value Preferred shares authorized, with 45,000,000 shares issued and outstanding at December 31, 2008. The shares have no dividend rights and convert at the holders' or the Company's option to the Company's Common Stock at a rate of 50 to 1. The shares vote with the common shareholders at the same rate as the conversion rights. The shares have no liquidation value, no liquidation rights and no redemption rights.

#### **NOTE 5 – MANAGEMENT OPINION**

It is the opinion of the Company's Management that the Consolidated Financial Statements for the year months ended December 31, 2009 reflect fairly the results of the Company's operations.

## Item XVI. Financial Information for the Two Preceding Fiscal Years

KCMH was formed in 2007 and began operations on January 1, 2008.

### **KCM Holdings Corp. and Subsidiaries Consolidated Statements of Cash Flow Year Ending December 31, 2008**

**UNAUDITED**

	<u>2008</u>
<b>Cash Flows From/(Used For) Operating Activities</b>	
Net Income/(Loss)	\$ (11,764)
Adjustments to reconcile net income/(loss) to net cash provided (used for) operations	\$ -
Depreciation	\$ 15,522
Increase in Prepaid Expenses	\$ (33,000)
Increase in Inventory	\$ (70,300)
Increase in Accounts Payable	\$ 18,361
	<hr/>
<b>Net Cash Used in Operating Activities</b>	\$ (81,181)
<b>Cash Flows From/ (Used For) Investing Activities</b>	
Purchase of Fixed Assets	\$ (93,134)
Purchase of securities	\$ (32,714)
Investor Capital	\$ 35,084
	<hr/>
<b>Cash From/(Used For) in Investing Activities</b>	\$ (90,764)
<b>Cash Flows from Financing Activities</b>	
Additional Paid in Capital	\$ 224,550
	<hr/>
	\$ 224,550
<b>Net Increase in Cash for Period</b>	\$ 52,605
<b>Cash at Beginning of Period</b>	\$ 1,241
	<hr/>
<b>Cash at End of Period</b>	\$ 53,846

**KCM Holdings Corp. and Subsidiaries**  
**Consolidated Balance Sheet**  
**December 31, 2008**

**UNAUDITED**

<b>ASSETS</b>	<b>December 31, 2008</b>	
Current Assets		
Cash and cash equivalents	\$	53,846
Prepaid expenses	\$	33,000
Inventory	\$	70,300
Short-term investments	\$	92,714
Total Current Assets	\$	249,860
Fixed Assets		
Property and Equipment	\$	77,612
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>327,472</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities		
Accounts payable	\$	18,361
Total Current Liabilities	\$	18,361
Stockholders' Equity		
Common shares, \$.001 par value; 500,000,000 authorized, 75,100,000 issued and outstanding	\$	75,100
Preferred Shares, \$.001 par value; 50,000,000 authorized, 45,000,000 issued and outstanding	\$	45,000
Additional Paid-In-Capital	\$	201,099
Retained Earnings	\$	(12,088)
Total Stockholders' Equity	\$	309,111
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$</b>	<b>327,472</b>

**KCM Holdings Corp. and Subsidiaries**  
**Consolidated Statements of Income**  
**For the Year ending December 31, 2008**

**UNAUDITED**

	<u>2008</u>
Revenues	\$ 518,094
Marketing Expenses	\$ 195,258
General and Administrative Expenses	
Occupancy	\$ 65,674
Professional Fees	\$ 47,705
Other	\$ 181,599
Total General and Administrative	<u>\$ 294,978</u>
Income/(Loss) Before Taxes	\$ 27,858
Other Income/Expenses	<u>\$ (24,100)</u>
Earnings Before Depreciation, Interest and Taxes	\$ 3,758
Depreciation	<u>\$ (15,522)</u>
NET LOSS	\$ (11,764)

**KCM HOLDINGS  
CORP.**

**STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY**

For the Year ended December 31, 2008

**UNAUDITED**

	Common Shares			Retained Earnings	Preference Shares			Total Shareholders' Equity
	Number of Shares	Par Value	Addition al Paid-In Capital		Number of Shares	Par Value	Addition al Paid-In Capital	
BALANCE January 1, 2008				\$0				\$0
Issuance of common shares	75,100,000	\$75,100	\$0					\$75,100
Issuance of preference shares	45,000,000		\$0		45,000,000	\$45,000		\$45,000
Net income				\$25,000				\$25,000
BALANCE December 31, 2008	120,100,000	\$75,100	\$0	25,000	45,000,000	\$45,000	\$0	\$145,100

## **NOTES TO 2008 CONSOLIDATED FINANCIAL STATEMENTS**

### **December 31, 2008**

#### **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **Development Stage Company**

KCM Holdings Corp. and wholly-owned Subsidiaries, KCM Insurance, KCMSMG USA, KCM Strategic Venture Group, KCMH Florida, KCM Relativity Fund and the KCM Trading Group (the Company) are development stage companies defined under Statements of Financial Accounting Standards No. 7.

##### **Revenue Recognition**

KCM Holdings Corp. and its subsidiaries use the accrual basis of accounting.

##### **Cash and Cash Equivalents**

For purposes of the statement of cash flows, the Company considers all short-term debt securities purchased with a maturity of three months or less to be cash equivalents.

##### **Income Taxes**

The Company accounts for income taxes under the provisions of Statements of Financial Accounting Standards No. 109, "Accounting for Income Taxes, which requires a company to recognize deferred taxes and liabilities for the expected future tax consequences of events that have been recognized in a company's financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the difference between the financial statement carrying amounts and tax bases of assets and liabilities using enacted tax rates. The Company has no differences between book and tax accounting.

##### **Uses of Estimates**

The preparation of the consolidated financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### **NOTE 2 – DEPRECIATION**

The Company depreciates all furniture and equipment over three years and takes one-half year depreciation in the year the asset was placed in service.

#### **NOTE 3 – BASIS OF CONSOLIDATION**

Since KCM Holdings Corp. owns 99% or more of each of its subsidiaries, the Equity Method of accounting is used for the preparation of the Consolidated Financial Statements. Under the Equity Method all subsidiary revenues, expenses, tax liabilities, profits and/or losses were consolidated. The minority interests for the two subsidiaries which the Company had a ninety-nine percent ownership position were deemed immaterial and were not included on the Consolidated Financial Statements.

#### **NOTE 4 – EQUITY**

##### **Common Stock**

The Company has 500,000,000 shares of \$.001 par value authorized and 75,100,000 shares outstanding at December 31, 2008. The shares have no dividend rights, no liquidation rights, no liquidation value and no redemption rights.

##### **Preferred Stock**

The company has 50,000,000 shares of \$0.001 par value Preferred shares authorized, with 45,000,000 shares issued and outstanding at December 31, 2008. The shares have no dividend rights and convert at the holders' or the Company's option to the Company's Common Stock at a rate of 50 to 1. The shares vote with the common shareholders at the same rate as the conversion rights. The shares have no liquidation value, no liquidation rights and no redemption rights.

**NOTE 5 – MANAGEMENT OPINION**

It is the opinion of the Company's Management that the Consolidated Financial Statements for the year months ended December 31, 2008 reflect fairly the results of the Company's operations.

## **Item XVII. MDA or Plan of Operation**

### **A. Plan of Operation**

Learning from the past year, KCMH's plan for the next 12 months is to maximize its current portfolio of incubated ventures. With the launch of its next incubated publicly traded company GEENIUS, there are substantial opportunities that KCMH will be seeking to take advantage of.

In 2009, the "foundations of success" were being set. It is time for them to be tested and then built upon.

These major areas include:

The incubation, registration and public launch of a minimum of four publicly traded entities. Outside of GEENIUS, KCMH currently projects KCM Insurance Services, a green energy company to be named, Empire Recordings and possibly a motorsports company.

As with previous years, refining each subsidiaries operational efficiency and revenue capacity through strategic planning, human resources, managerial development and sound financial management is still critical. Each subsidiary and department of operation will be strategically and financially vetted by the core KCMH team and any necessary supporting consultants with specific expertise.

KCMH does not expect to make any significant equipment purchases or changes in number of employees within the next twelve months outside of any inherited equipment or employees from an acquisition or strategic alliance. In such a case, KCMH's main operational budgets and strategy will not be affected.

At most, KCMH will purchase support equipment such as computers and office furniture for administration support staff who will not play a major role in the KCMH twelve month plan of operation. The impact of such activities have subsequently been pre-planned and accounted for.

### **C. Off-balance Sheet Arrangements**

There are currently no arrangements that are off the balance sheet.

## **Part E Exhibits**

### **Item XVIII. Material Contracts**

#### **A. Material Contract**

1. There are no contracts outside of purchase or sale of current assets having a determinable market price.
2. There are no contracts of which the Issuer is substantially dependent.
3. There are no contracts for purchase or sale of any property, plant, or equipment exceeding 15% of Issuer's assets.
4. There is no material lease of any property described in this disclosure.

## **B. Compensation Plans**

All compensatory plans provided to employees, officers, and directors provides for the same method of allocation of benefits between typical management and non-management participants.

## **Part F Miscellaneous**

### **Item XXI. Purchases of Equity Securities by the Issuer and Affiliated Purchasers**

There has been no purchase of Issuer's Equity Securities made by or on behalf of the Issuer or by any

Affiliated Purchaser, nor has there been any publicly announced plans or programs where the Issuer will repurchase such Equity Securities.

### **Item XIX. Articles of Incorporation and Bylaws**

Please see attached file in our initial disclosure documents

### **Item XX. Issuer's Certifications**

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

I, Donald Klein, certify that: 1. I have reviewed this annual statement of KCM Holdings Corp; 2.

based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and 3. based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: Monday, February 15, 2010



**Donald Klein**

**CEO, KCMH**