

# AMENDED REPORT

This Amendment is to disclose in Section 7, page 9, that the CFO, Alan Bailey, owns no common shares or Series "A" preferred shares of the Company. This disclosure was previously inadvertently omitted from the initial filing. In addition, a Date of Note Issuance was corrected in the chart on Page 6.



**On4 Communications, Inc.**  
**44 West 44<sup>th</sup> Street**  
**New York, NY 11710**  
**(516) 637- 4061**

**Company website: The Company is presently redesigning its website, in the interim ta**

Predecessor Name: Sound Revolution Inc. (from June 4, 2001 – October 2, 2009)

- State of Incorporation of issuer and predecessor:  
Incorporated in the State of Delaware on June 4, 2001. The Issuer is in active status currently.
- There have been no trading suspension orders issued by the SEC since incorporation.
- There have not been any stock splits, stock dividends, recapitalization, merger, acquisition, spin-off or reorganization either currently anticipated or that has occurred within the past 12 months.

Issuer's principal executive office and principal place of business:

**44 West 44<sup>th</sup> Street, New York, NY 11710**

- Has the issuer or any of its predecessors ever been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes:

No:

## 2) Security Information

|   |  |
|---|--|
| Trading symbol:                                     | <u>ONCI</u>  |
| Exact title and class of securities outstanding:    | <u>Common Shares</u>                               |
| CUSIP:  | 6822203 203  |
| Par or stated value:                                | <u>\$0.0001</u>                                    |
| Total shares authorized:                            | <u>7,500,000,000</u> as of date: October 31, 2022* |
| Total shares outstanding:                           | <u>6,718,644,106</u> as of date: October 31, 2022  |
| Number of shares in the Public Float <sup>1</sup> : | <u>6,641,868,610</u> as of date: October 31, 2022  |
| Total number of shareholders of record:             | <u>81</u> as of date: October 31, 2022             |

(\* on July 21, 2021 the Company increased its authorized common shares from 5,000,000,000 to 7,500,000,000)

*Additional class of securities (if any):*

|  |                                   |
|--|-----------------------------------|
| Trading symbol:                                  | <u>N/A</u>                        |
| Exact title and class of securities outstanding: | <u>Series A" Preferred shares</u> |
| CUSIP:   | <u>N/A</u>                        |
| Par or stated value:                             | <u>No par value</u>               |

Total shares authorized: 30,000,000 as of date: October 31, 2022  
 Total shares outstanding: 24,000,000 as of date: October 31, 2022

**Transfer Agent**

Name: Pacific Stock Transfer  
 Phone: 1-800-785-7782  
 Email: luke@pacificstocktransfer.com  
 Address: 6725 Via Austi Pkwy, Suite 300, Las Vegas, NV 89119

Is the Transfer Agent registered under the Exchange Act?<sup>2</sup> Yes:  No:

**3) Issuance History**

**A. Changes to the Number of Outstanding Shares**

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods:

| Shares outstanding as of Beginning of the Second Most Recent Fiscal Year End: |   | Opening Balance:                       |                     | *Right-click the rows below and select "Insert" to add rows as needed. |  |   |   |   |                                 |
|---|---|--|---------------------|--|--|---|---|---|---------------------------------|
| Fiscal year beginning November 1 2019   |   | November 1, 2019                       |                     |  |  |   |   |   |                                 |
|   |   | Common: <u>4,023,875,860</u>           |                     |  |  |   |   |   |                                 |
|   |   | Preferred <u>25,000,000</u>            |                     |  |  |   |   |   |                                 |
| Date of Transaction   | Transaction type (e.g. new issuance, cancellation, shares returned to treasury) | Number of Shares Issued (or cancelled) | Class of Securities | Value of shares issued (\$/per share) at Issuance                      | Were the shares issued at a discount to market price at the time of issuance? (Yes/No) | Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed) | Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable) | Restricted or Unrestricted as of this filing? | Exemption or Registration Type? |
| <u>11/8/2019</u>  | <u>New issuance</u>   | <u>152,467,390</u>                     | <u>Common</u>       | <u>\$0.0001</u>  | <u>Yes</u>   | JP Carey Enterprises Inc. See Note (B)  | Debt conversion   | Unrestricted                                  | 144 Exemption                   |
| <u>2/3/2020</u>   | <u>New issuance</u>   | <u>115,515,729</u>                     | <u>Common</u>       | <u>\$0.0001</u>  | <u>Yes</u>   | JP Carey Enterprises Inc. See Note (B)  | Debt conversion   | Unrestricted                                  | 144 Exemption                   |
| <u>7/17/2020</u>  | <u>New issuance</u>   | <u>166,357,037</u>                     | <u>Common</u>       | <u>\$0.00005</u>   | <u>Yes</u>   | JP Carey Enterprises Inc. See Note (B)  | Debt conversion   | Unrestricted                                  | 144 Exemption                   |

|  |  |                     |                  |                  |                       |  |   |              |               |
|--|--|---------------------|------------------|------------------|-----------------------|--|---|--------------|---------------|
| Shares outstanding as of October 31, 2020 (the end of the Second Most Recent Fiscal Year End): | <u>Closing Balance:</u><br><u>October 31, 2020</u><br>Common:<br><u>4,458,216,016</u><br><br>Preferred:<br><u>25,000,000</u> |                     |                  |                  |                       |  |   |              |               |
| <u>12/30/2020</u>  | <u>New issuance</u>  | <u>278,363,805</u>  | <u>Common</u>    | <u>\$0.0001</u>  | <u>Yes</u>            | JP Carey Enterprises Inc. See Note (B)     | Debt conversion   | Unrestricted | 144 Exemption |
| <u>2/16/2021</u>   | <u>New issuance</u>  | <u>45,000,000</u>   | <u>Common</u>    | <u>\$0.0001</u>  | <u>Yes</u>            | Steve Berman                               | Exercise of employee stock options  | Restricted   | 144 Exemption |
| <u>3/5/2021</u>  | <u>Cancellation</u>  | <u>(1,000,000)</u>  | <u>Preferred</u> | <u>Zero</u>      | <u>Not applicable</u> | Steve Berman                               | Return to Treasury  | Restricted   | N/A           |
| <u>3/12/2021</u>   | <u>New issuance</u>  | <u>56,000,000</u>   | <u>Common</u>    | <u>\$0.0001</u>  | <u>Yes</u>            | Steve Berman                               | Exercise of employee stock options  | Restricted   | 144 Exemption |
| <u>6/7/2021</u>  | <u>New issuance</u>  | <u>137,893,668</u>  | <u>Common</u>    | <u>\$0.00045</u> | <u>Yes</u>            | Carpathia LLC See Note (A)                 | Debt conversion   | Unrestricted | 144 Exemption |
| <u>6/14/2021</u>   | <u>Cancellation</u>  | <u>(54,190,739)</u> | <u>Common</u>    | <u>\$0.0001</u>  | <u>Yes</u>            | Steve Berman                               | Return for cancellation common shares previously issued to Steve Berman                       | Restricted   | N/A           |
| <u>6/18/2021</u>   | <u>Cancellation</u>  | <u>(47,871,000)</u> | <u>Common</u>    | <u>\$0.0001</u>  | <u>Yes</u>            | Steve Berman                               | Return for cancellation common shares previously issued to Steve Berman                       | Restricted   | N/A           |
| <u>7/19/2021</u>   | <u>New issuance</u>  | <u>63,998,148</u>   | <u>Common</u>    | <u>\$0.00054</u> | <u>Yes</u>            | J.P.Carey Limited Partners LP See Note (C) | Conversion of assumed Donald Berman Convertible note of \$25,000 and accrued interest \$9,589 | Unrestricted | 144 Exemption |

|  |   |                    |               |                  |            |  |  |              |               |
|--|---|--------------------|---------------|------------------|------------|--|--|--------------|---------------|
| August 18,2021   | <u>New issuance</u>   | <u>39,597,909</u>  | <u>Common</u> | <u>\$0.00054</u> | <u>Yes</u> | J.P.Carey Limited Partners LP See Note (C) | Conversion of assumed Donald Berman Convertible note of \$16,000 and accrued interest \$5,677          | Unrestricted | 144 Exemption |
| August 18,2021   | <u>New issuance</u>   | <u>219,726,027</u> | <u>Common</u> | <u>\$0.00054</u> | <u>Yes</u> | Trillium Partners LP. See Note (D)         | Conversion of 50% of assumed Donald Berman Convertible note of \$ 90,000 and accrued interest \$28,652 | Unrestricted | 144 Exemption |
| August 20,2021   | <u>New issuance</u>   | <u>219,726,027</u> | <u>Common</u> | <u>\$0.00054</u> | <u>Yes</u> | J.P.Carey Limited Partners LP See Note (C) | Conversion of 50% of assumed Donald Berman Convertible note of \$90,000 and accrued interest \$28,652  | Unrestricted | 144 Exemption |
| October 5, 2021  | <u>New issuance</u>   | <u>500,000,000</u> | <u>Common</u> | <u>\$0.0005</u>  | <u>Yes</u> | Trillium Partners LP See Note (D)          | Regulation A subscription  | Unrestricted | Regulation A  |
| October 11,2021  | <u>New issuance</u>   | <u>200,000,000</u> | <u>Common</u> | <u>\$0.0005</u>  | <u>Yes</u> | J.P.Carey Limited Partners LP See Note (C) | Regulation A Subscription  | Unrestricted | Regulation A  |
| October 19 ,2021   | <u>New issuance</u>   | <u>300,000,000</u> | <u>Common</u> | <u>\$0.0005</u>  | <u>Yes</u> | J.P.Carey Limited Partners LP See Note (C) | Regulation A Subscription  | Unrestricted | Regulation A  |
| <b>Shares Outstanding as of October 31, 2021 (end of the previous fiscal year)</b> | <b><u>Common</u></b><br><b><u>6,416,459,861</u></b><br><b><u>Preferred Series "A"</u></b><br><b><u>24,000,000</u></b> |                    |               |                  |            |  |  |              |               |
| March 15,2022  | <u>New issuance</u>   | <u>302,184,245</u> | <u>Common</u> | <u>\$0.0001</u>  | <u>Yes</u> | J.P.Carey Enterprises Inc. See Note (B)    | Conversion of convertible note of \$20,000 principal and accrued interest \$10,218                     | Unrestricted | 144 Exemption |
| <b>Shares Outstanding as of October 31, 2022 and at the date of this filing.</b>   | <b><u>Common</u></b><br><b><u>6,718,644,106</u></b><br><b><u>Preferred Series "A"</u></b><br><b><u>24,000,000</u></b> |                    |               |                  |            |  |  |              |               |

## Notes:

- (A) Carpathia LLC is controlled by Joseph C. Canouse  
 (B) JP Carey Enterprises Inc is controlled by Joseph C. Canouse  
 (C) JP Carey Limited Partners LP is controlled by Joseph C. Canouse  
 (D) Trillium Partners LP is controlled by Steve Hicks

**B. Debt Securities, Including Promissory and Convertible Notes**

| Date of Note Issuance | Outstanding Balance (\$) | Principal Amount at Issuance (\$) | Interest Accrued (\$) | Maturity Date     | Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares) | Name of Noteholder                          | Reason for Issuance (e.g. Loan, Services, etc.) |
|-----------------------|--------------------------|-----------------------------------|-----------------------|-------------------|--|---|---|
| <u>1/2/2018</u>       | <u>\$206,473</u>         | <u>\$206,473</u>                  | <u>\$49,978</u>       | <u>Demand</u>     | 5% loan  | <u>Steve Berman (CEO)</u>                   | <u>Convertible loan</u>                         |
| <u>2/27/2018</u>      | <u>\$50,000</u>          | <u>\$50,000</u>                   | <u>\$12,048</u>       | <u>Demand</u>     | 5% loan  | <u>Steve Berman (CEO)</u>                   | <u>Loan</u>                                     |
| <u>4/3/2018</u>       | <u>\$20,000</u>          | <u>\$20,000</u>                   | <u>\$ 4,586</u>       | <u>Demand</u>     | 5% loan  | <u>Steve Berman (CEO)</u>                   | <u>Loan</u>                                     |
| <u>6/15/2018</u>      | <u>\$115,000</u>         | <u>\$115,000</u>                  | <u>\$25,221</u>       | <u>Demand</u>     | 5% loan  | <u>Steve Berman (CEO)</u>                   | <u>Loan</u>                                     |
| <u>10/31/2018</u>     | <u>\$104,400</u>         | <u>\$104,400</u>                  | <u>\$20,909</u>       | <u>Demand</u>     | 5% loan  | <u>Steve Berman (CEO)</u>                   | <u>Loan</u>                                     |
| <u>10/31/2018</u>     | <u>\$46,175</u>          | <u>\$46,175</u>                   | <u>\$9,248</u>        | <u>Demand</u>     | 5% loan. Convertible at 40% of the average market price 15 days prior to conversion          | <u>Brandon Berman</u>                       | <u>Convertible Loan</u>                         |
| <u>12/27/2018</u>     | <u>\$15,000</u>          | <u>\$15,000</u>                   | <u>\$9,713</u>        | <u>12/27/2019</u> | Convertible at 50% of the average market price 10 days prior to conversion                   | <u>J.P. Carey Enterprises, Inc (Note C)</u> | <u>Convertible loan</u>                         |
| <u>1/31/2019</u>      | <u>\$125,000</u>         | <u>\$125,000</u>                  | <u>\$23,459</u>       | <u>Demand</u>     | 5% loan  | <u>Steve Berman (CEO)</u>                   | <u>Loan</u>                                     |
| <u>3/1/2019</u>       | <u>\$30,000</u>          | <u>\$30,000</u>                   | <u>\$5,515</u>        | <u>Demand</u>     | 5% loan  | <u>Steve Berman (CEO)</u>                   | <u>Loan</u>                                     |
| <u>4/16/2019</u>      | <u>\$15,000</u>          | <u>\$15,000</u>                   | <u>\$8,877</u>        | <u>4/16/2020</u>  | Convertible at 50% of the average market price 10 days prior to conversion                   | <u>Carpathia LLC (Note B)</u>               | <u>Convertible loan</u>                         |
| <u>7/1/2019</u>       | <u>\$36,095</u>          | <u>\$36,095</u>                   | <u>\$6,037</u>        | <u>Demand</u>     | 5% loan  | <u>Steve Berman (CEO)</u>                   | <u>Loan</u>                                     |
| <u>8/6/2019</u>       | <u>\$10,000</u>          | <u>\$10,000</u>                   | <u>\$5,365</u>        | <u>8/6/2020</u>   | Convertible at 50% of the average market price 10 days prior to conversion                   | <u>Carpathia LLC (Note B)</u>               | <u>Convertible loan</u>                         |
| <u>10/1/2019</u>      | <u>\$45,000</u>          | <u>\$45,000</u>                   | <u>\$6,969</u>        | <u>Demand</u>     | 5% loan 5% loan. Convertible at 40% of the average market price 15 days prior to conversion. | <u>Donald Berman</u>                        | <u>Convertible Loan</u>                         |
| <u>1/1/2020</u>       | <u>\$40,000</u>          | <u>\$40,000</u>                   | <u>\$5,682</u>        | <u>Demand</u>     | 5% loan  | <u>Steve Berman (CEO)</u>                   | <u>Loan</u>                                     |

|  |                           |                           |                         |                       |   |   |                                 |
|--|---------------------------|---------------------------|-------------------------|-----------------------|---|---|---------------------------------|
| <u>3/1/2020</u>                          | <u>\$58,015</u>           | <u>\$58,015</u>           | <u>\$7,764</u>          | <u>Demand</u>         | 5% loan   | <u>Steve Berman (CEO)</u>                   | <u>Loan</u>                     |
| <u>3/1/2020</u>                          | <u>\$16,985</u>           | <u>16,985</u>             | <u>\$2,273</u>          | <u>Demand</u>         | 5% loan<br>5% loan. Convertible at 40% of the average market price 15 days prior to conversion. | <u>Donald Berman</u>                        | <u>Convertible Loan</u>         |
| <u>6/1/2020</u>                          | <u>\$100,000</u>          | <u>\$100,000</u>          | <u>\$12,123</u>         | <u>Demand</u>         | 5% loan   | <u>Steve Berman (CEO)</u>                   | <u>Loan</u>                     |
| <u>10/31/2020</u>                        | <u>\$25,000</u>           | <u>\$ 25,000</u>          | <u>\$2,507</u>          | <u>Demand</u>         | 5% loan   | <u>Steve Berman (CEO)</u>                   | <u>Loan</u>                     |
| <u>1/8/2021</u>                          | <u>\$25,000</u>           | <u>\$25,000</u>           | <u>\$6,645</u>          | <u>1/8/2022</u>       | Convertible at 50% of the average market price 10 days prior to conversion                      | <u>J.P. Carey Enterprises, Inc (Note C)</u> | <u>Convertible loan</u>         |
| <u>1/22/2021</u>                         | <u>\$16,000</u>           | <u>\$16,000</u>           | <u>\$4,8767</u>         | <u>1/22/2022</u>      | Convertible at 50% of the average market price 10 days prior to conversion                      | <u>J.P. Carey Enterprises, Inc (Note C)</u> | <u>Convertible loan</u>         |
| <u>1/31/2021</u>                         | <u>\$25,000</u>           | <u>\$ 25,000</u>          | <u>\$2,192</u>          | <u>Demand</u>         | 5% loan   | <u>Steve Berman (CEO)</u>                   | <u>Loan</u>                     |
| <u>2/11/2021</u>                         | <u>\$25,000</u>           | <u>\$25,000</u>           | <u>\$5,153</u>          | <u>2/11/2022</u>      | Convertible at 50% of the lowest closing market price 30 days prior to conversion               | <u>Stout, LLC (Note D)</u>                  | <u>Convertible loan</u>         |
| <u>4/30/2021</u>                         | <u>\$80,000</u>           | <u>\$ 80,000</u>          | <u>\$6,0380</u>         | <u>Demand</u>         | 5% loan   | <u>Steve Berman (CEO)</u>                   | <u>Loan</u>                     |
| <u>7/31/2021</u>                         | <u>\$100,000</u>          | <u>\$100,000</u>          | <u>\$6,288</u>          | <u>Demand</u>         | 5% loan   | <u>Steve Berman (CEO)</u>                   | <u>Loan</u>                     |
| <u>10/20/2021</u>                        | <u>\$15,000</u>           | <u>\$15,000</u>           | <u>\$1,854</u>          | <u>10/20/2022</u>     | Convertible at 50% of the lowest closing market price 30 days prior to conversion               | <u>Stout, LLC (Note D)</u>                  | <u>Convertible loan</u>         |
| <b><u>TOTALS at October 31, 2022</u></b> | <b><u>\$1,114,983</u></b> | <b><u>\$1,114,983</u></b> | <b><u>\$190348</u></b>  | <b><u>Demand</u></b>  | 5% loans  | <b><u>Steve Berman (CEO)</u></b>            | <b><u>Loans</u></b>             |
|  | <b><u>And</u></b>         |                           |                         |                       |   |   |                                 |
|  | <b><u>\$229,160</u></b>   | <b><u>\$229,160</u></b>   | <b><u>\$60,964</u></b>  | <b><u>Various</u></b> | All others  | <b><u>Various</u></b>                       | <b><u>Convertible Loans</u></b> |
| <b><u>COMBINED TOTALS</u></b>            | <b><u>\$1,344,143</u></b> | <b><u>\$1,344,143</u></b> | <b><u>\$251,312</u></b> |                       |   |   |                                 |

Notes (B) & (C) Carpathia LLC and J.P. Carey Enterprises, Inc are both controlled by Joseph C. Canouse.  
Note (D) Stout, LLC is controlled by Matheau J Stout, Esq.

#### 4) Financial Statements

A. The following financial statements were prepared in accordance with:

- U.S. GAAP  
 IFRS

B. The financial statements for this reporting period were prepared by (name of individual)<sup>3</sup>:

Name: **Alan Bailey**  
Title: CFO  
Relationship to Issuer: CFO

Provide the financial statements described below for the most recent fiscal year or quarter.

- C. Balance sheet;
- D. Statement of income;
- E. Statement of cash flows;
- F. Statement of Changes in Stockholders' Equity
- G. Financial notes; and
- H. Audit letter, if audited (not applicable)

**Attached to this disclosure statement are Annual Financial Statements for the 12 Months ended October 31, 2022 (pages 12 to 22).**

## **5) Issuer's Business, Products and Services**

**A. The Issuer has been primarily involved in the design, creation and manufacture of software Apps for installation in motor vehicles to automatically restrict the driver from accessing a smart phone or other social media communication while the vehicle wheels are in motion.**

**On November 4, 2016 the Company acquired a 49% equity/ownership stake in Family Mobil Safety ("FMS") Marketing, the distributor of a safe driving App. Under terms of the deal, FMS and their global distribution network of the drive safe app remains fully operational and continues as a standalone brand following the close of the acquisition. The FMS safe driving app is intended to do a number of functions to keep attention on the road while you're driving and not on your smart phone. As soon as the FMS app detects that the vehicles wheels are in motion the App will be programmed to automatically shut down all voice and social media for safe, distraction-free driving.**

**On December 9, 2016 the Company acquired a Forty-Nine Percent (49%) Joint-Venture equity/ownership stake in Digital Media Management & Consulting ("DMCC") a digital signage privately-held company headquartered in New York, NY. The DMCC platform supports advanced implementation of electronic sell-through and content advertising supported networks.**

**On September 1, 2017 the Company acquired, from the Company's CEO, the remaining 51% share of the FMS Safe Driving App. business and IP. The acquisition price was \$2 million, payable in cash, convertible promissory note and/or in stock. The cash portion is expected to be financed against the Company's accounts receivable.**

**On August 17, 2017 the Company entered into a non-binding Letter of Intent to invest in CogoSense Technology, Inc. a Canadian company, which has developed an enterprise software solution for smart phones and tablets that detects the driving state of an entire on-the-road vehicle fleet and automatically places those devices into safe mode while driving occurs, to prevent distractions. CogoSense has also developed an individual consumer App version, which is a fleet vehicle tracking system to monitor vehicle locations at any time. October 31, 2022 the Company had cumulatively invested \$ 1,875,000 in CogoSense.**

**On September 14, 2018 the Company announced that it has signed a letter of intent to purchase 75% of a craft Cannabis company called Sifthouse BC for a total consideration of \$1 million contingent upon Sifthouse BC obtaining a license to distribute Cannabis related product in Canada. Sifthouse is a craft Cannabis company and a new business based in Vancouver. Their plan is to grow highly profitable, specialty blends of cannabis. Terms of financing are being worked out. The Company's investment to date is \$300,000.**

### **Summary of Operating Results for the 12 Months Ended October 31, 2022 Compared with the 12 Months Ended October 31, 2021**

Sales for the 12 months ended October 31, 2022 totaled \$513,700 compared with Sales for the 12 months ended October 31, 2021 of \$413,500. Gross margin (after deducting cost of sales and sales commission) for the 12 months ended October 31, 2022 totaled \$344,487 compared with a gross margin of \$129,918 for the 12 months ended October 31, 2021. The higher gross margin in 2022 related to both increased sales revenue and lower cost of sales.

After operating expenses of \$896,711 for the 12 months ended October 31, 2022 compared with operating expenses of \$936,432 for the 12 months ended October 31, 2021, the Company had a net loss from operations for the 12 months ended October 31, 2022 of \$552,224 compared with a net loss of \$806,514 for the 12 months ended October 31, 2021.

Including interest expense of \$85,291, the overall loss for the 12 months ended October 31, 2022 was \$637,515, compared with a net loss of \$1,202,396 for the 12 months ended October 31, 2021 including interest expense of \$115,882 and after deducting an additional net reserve against accounts receivable of \$ 280,000.

Net cash used in operating activities totaled \$35,675 for the 12 months ended October 31, 2022 compared with cash used in operating activities of \$243,939 for the 12 months ended October 31, 2021. Net cash used in financing activities totaled (\$5,000) for the 12 months ended October 31, 2022, compared with net cash provided from financing activities of \$383,153, represented by \$500,000 in proceeds for the Company's Regulation A offering less \$116,847 reduction in loans from related party.

The ending cash balance at October 31, 2022 decreased by \$40,675 to \$42,325, compared with a cash balance of \$83,000 at October 31, 2021.

### C. Issuers' principal products or services, and their markets

The Company's principal products, described in B. above, are distributed and sold to automotive dealers and operators nationwide throughout the United States as well as in Europe (particularly in Turkey).

#### 6) Issuer's Facilities

The Issuer rents a business office on a month-to-month basis at 44 West 44 Street, New York, NY 11710 at the rate of \$ 3,500 per month (inclusive of furniture).

#### 7) Officers, Directors, and Control Persons

| Name of Officer/Director and Control Person | Affiliation with Company (e.g. Officer/Director/Owner of more than 5%) | Residential Address (City / State Only) | Number of shares owned | Share type/class   | Ownership Percentage of Class Outstanding* |
|---|--|---|------------------------|--|--|
| <u>Steve Berman</u>                         | <u>CEO &amp; Director</u>  | <u>Roslyn, New York</u>                 | <u>None*</u>           | <u>Common shares</u>   | <u>0</u>                                   |
| <u>Steve Berman</u>                         | <u>CEO &amp; Director</u>  | <u>Roslyn, New York</u>                 | <u>24,000,000</u>      | <u>Class "A" Preferred shares</u>                                | <u>100.0%</u>                              |
| <u>Alan Bailey</u>                          | <u>CFO</u>   | <u>Los Angeles, CA</u>                  | <u>None</u>            | <u>Common shares and Class "A" Preferred shares – None owned</u> | <u>0%</u>                                  |

(\* Note: in June, 2021 the CEO returned his entire holding of 102,061,739 common shares back to the Company for cancellation.

#### 8) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

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

None

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

None

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

None

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

None

**B. Describe briefly any material pending legal proceedings:**

- (1) On December 15, 2016 LG Capital Funding, LLC (one of the Company's convertible note holders) commenced an action against the Company claiming that it had been prevented from converting a remaining principal balance of \$1,500 and accrued interest thereon of \$ 1,013 into common shares of the Company at the then contracted 50% discount to market stock price. A judgement in favor of LG Capital was issued by the Eastern District Court of New York on September 25, 2018. However, this order was appealed and the Company was granted a stay, pending the outcome of a similar case submitted to the Second Circuit of Appeals which pleads that these types of convertible debt contracts are usurious under New York law. In April 2019 the New York Court of Appeals declined to hear the question certified of it – whether loans with terms such as the Note in the Company's case are void for being usurious. As a result, the Federal Court of Appeals lifted the stay in our matter and requested the Company's appellate brief by May 31, 2019. The Company's brief was filed May 20, 2019. LG Capital submitted their opposing brief August 9, 2019 and the Company's reply brief was submitted at the end of August, 2019. In early January, 2020 the LG Capital case was submitted to a panel of three judges in the Court of Appeals for review. On March 6, 2020 a Summary Order was issued by the appellant court affirming the original judgement of the District Court and declining the Company's appeal. The Company has included in its Accounts Payable at October 31, 2022 and at October 31, 2021 the sum of \$54,543 believed, by management, to be the potential liability payable by the Company to LG Capital pursuant to this action. However, the Company believes that LG Capital is no longer in business and that collection of their judgement is now unlikely to occur.

**9) Third Party Providers**

Securities Counsel

Name: Jonathan D. Leinwand  
Firm: Jonathan D. Leinwand, P.A.  
Address 1: 18305 Biscayne Blvd.  
Address 2: Suite 200  
Phone: 954-903-7856  
Email: jonathan@jdlpa.com

Accountant or Auditor

Name: None

Investor Relations Consultant

Name: None

Other Service Providers

Name: None

## 10) Issuer Certification

*Principal Executive Officer:*

:

I, Steve Berman, Chief Executive Officer, certify that:

1. I have reviewed this Annual Disclosure Statement of On4 Communications, Inc for the 12 Months Ended October 31, 2022;
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
5. 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.

December 14, 2022

"/s/ Steve Berman

*Principal Financial Officer:*

I, Alan Bailey, Chief Financial Officer certify that:

1. I have reviewed this Annual Disclosure Statement of On4 Communications, Inc for the 12 Months Ended October 31, 2022;
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.

December 14, 2022

"/s/ Alan Bailey

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



## **ANNUAL FINANCIAL STATEMENTS**

### **ON4 COMMUNICATIONS, INC.**

**for the 12 Months Ending**

**OCTOBER 31, 2022**

#### **INDEX**

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**ON4 COMMUNICATIONS, INC.****Balance Sheets**

(Unaudited)

|   | <b>October 31,<br/><u>2022</u></b> | <b>October 31,<br/><u>2021</u></b> |
|---|------------------------------------|------------------------------------|
| <b>ASSETS</b>   |                                    |                                    |
| Current assets  |                                    |                                    |
| Cash  | \$ 42,325                          | \$ 83,000                          |
| Accounts receivable, less reserves                    | 173,461                            | 108,536                            |
| Prepaid expense                                       | <u>3,500</u>                       | <u>3,500</u>                       |
|   | <u>219,286</u>                     | <u>195,036</u>                     |
| Fixed assets, net of accumulated depreciation         | <u>-</u>                           | <u>-</u>                           |
| Other assets, at cost                                 |                                    |                                    |
| Investment in Family Mobile Safety (“FMS”)            | 2,000,000                          | 2,000,000                          |
| Investment in Cogosense Technology Inc.               | 1,875,000                          | 1,875,000                          |
| Investment in Sifthouse BC                            | <u>300,000</u>                     | <u>300,000</u>                     |
|   | <u>4,175,000</u>                   | <u>4,175,000</u>                   |
| <b>Total Assets</b>                                   | <b><u>\$ 4,394,286</u></b>         | <b><u>\$ 4,370,036</u></b>         |
| <b>LIABILITIES AND STOCKHOLDERS’ DEFICIT</b>          |                                    |                                    |
| Current liabilities                                   |                                    |                                    |
| Accounts payable and accrued expenses                 | \$ 81,955                          | \$ 80,633                          |
| Accrued note interest                                 | 60,964                             | 41,749                             |
| Convertible notes payable                             | <u>229,160</u>                     | <u>209,160</u>                     |
|   | <u>372,079</u>                     | <u>331,542</u>                     |
| Non-current liabilities                               |                                    |                                    |
| Loans and accrued interest due related party          | 1,305,311                          | 1,249,474                          |
| Other amounts due related party                       | <u>5,272,312</u>                   | <u>4,692,139</u>                   |
|   | <u>6,577,623</u>                   | <u>5,941,613</u>                   |
| Total liabilities                                     | <u>6,949,702</u>                   | <u>6,273,155</u>                   |
| Stockholders’ Deficit                                 |                                    |                                    |
| Preferred stock:                                      |                                    |                                    |
| 30,000,000 shares authorized, no par value            |                                    |                                    |
| 24,000,000 shares issued and outstanding              |                                    |                                    |
| at October 31, 2022 and October 31, 2021 respectively | \$ -                               | \$ -                               |
| Common stock:   |                                    |                                    |

|   |                            |                            |
|---|----------------------------|----------------------------|
| 7,500,000,000 shares authorized of \$ 0.0001 par value each |                            |                            |
| 6,718,644,106 and 6,416,459,861 issued and outstanding      |                            |                            |
| at October 31,2022 and October 31, 2021, respectively       | 671,864                    | 641,646                    |
| Additional paid-in capital                                  | 18,545,107                 | 18,590,107                 |
| Treasury stock  | 210,000                    | 210,000                    |
| Accumulated deficit   | <u>(21,982,387)</u>        | <u>(21,344,872)</u>        |
|   | <u>(2,555,416)</u>         | <u>(1,903,119)</u>         |
| <b>Total Liabilities and Stockholders' Deficit</b>          | <b><u>\$ 4,394,286</u></b> | <b><u>\$ 4,370,036</u></b> |

See accompanying notes to financial statements

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**ON4 COMMUNICATIONS, INC.**  
**Statements of Operations**  
(Unaudited)

|  | <u>12 Months Ended</u><br><u>October 31, 2022</u> | <u>12 Months Ended</u><br><u>October 31,2021</u> |
|--|---|--|
| <b>Revenue</b>   |   |  |
| Sales  | \$513,700   | \$ 413,500                                       |
| Less: Cost of sales  | (105,000)   | (231,894)  |
| Sales commission-related party   | <u>(64,213)</u>                                   | <u>(51,688)</u>                                  |
| <b>Gross Margin</b>  | <u>344,487</u>                                    | <u>129,918</u>                                   |
| <b>Operating expenses</b>  |   |  |
| General and administrative   | 174,211   | 183,462  |
| Staff compensation   | 340,000   | 339,500  |
| Marketing and promotion  | 140,000   | 151,500  |
| Management compensation  | 240,000   | 250,100  |
| Legal and accounting   | <u>2,500</u>                                      | <u>11,870</u>                                    |
|  | <u>896,711</u>                                    | <u>936,432</u>                                   |
| <b>Operating loss</b>  | <b><u>(552,224)</u></b>                           | <b><u>(806,514)</u></b>                          |
| <b>Other expense</b>   |   |  |
| Interest   | (85,291)  | (115,882)  |
| Reserve against accounts receivable,<br>less sales commissions thereon | <u>-</u>  | <u>(280,000)</u>                                 |
|  | <u>(85,291)</u>                                   | <u>(395,882)</u>                                 |
| <b>Net loss</b>  | <b><u>\$(637,515)</u></b>                         | <b><u>\$(1,202,396)</u></b>                      |
| <b>Weighted average shares outstanding</b>                             | <b><u>6,606,877,315</u></b>                       | <b><u>4,943,826,175</u></b>                      |
| <b>Loss per share outstanding</b>                                      | <b><u>\$(0.0001)</u></b>                          | <b><u>\$(0.00024)</u></b>                        |

See accompanying notes to financial statements

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**ON4 COMMUNICATIONS, INC.**  
**Statement of Changes In Stockholders' Equity (Deficit)**  
(Unaudited)

|  | Preferred Stock   |          | Common Stock         |                  | Additional           | Treasury         | Accumulated             | Stockholders'        |
|--|-------------------|----------|----------------------|------------------|----------------------|------------------|-------------------------|----------------------|
|  | Number            | Amount   | Number               | Amount           | Paid-In Capital      | Stock            | Deficit                 | Equity (Deficit)     |
| <b>Balance:</b>  |                   |          |                      |                  |                      |                  |                         |                      |
| <b>October 31,2019</b>   | <b>25,000,000</b> | <b>-</b> | <b>4,023,875,860</b> | <b>\$402,387</b> | <b>\$ 17,901,089</b> | <b>210,000</b>   | <b>\$ (13,020,133)</b>  | <b>\$ 5,493,343</b>  |
| <b>12 Months Ended October 31,2020</b>                         |                   |          |                      |                  |                      |                  |                         |                      |
| Stock issued to redeem convertible note and interest           | -                 |          | 434,340,156          | 43,435           | (8,716)              | -                | -                       | 34,719               |
| Net loss for year  | -                 | -        | -                    | -                | -                    | -                | (7,122,343)             | (7,122,343)          |
| <b>Balance:</b>  |                   |          |                      |                  |                      |                  |                         |                      |
| <b>October 31,2020</b>   | <b>25,000,000</b> | <b>-</b> | <b>4,458,216,016</b> | <b>\$445,822</b> | <b>\$ 17,892,373</b> | <b>\$210,000</b> | <b>\$ ( 20,142,476)</b> | <b>\$(1,594,281)</b> |
| <b>12 Months Ended October 31,2021</b>                         |                   |          |                      |                  |                      |                  |                         |                      |
| Stock issued to redeem convertible notes and interest          | -                 |          | 959,305,584          | 95,930           | 287,528              | -                | -                       | 383,458              |
| Stock issued to CEO on exercise of stock options               | -                 |          | 101,000,000          | 10,100           | -                    | -                | -                       | 10,100               |
| Stock returned to Treasury by CEO for cancellation (1,000,000) |                   |          | (102,061,739)        | (10,206)         | 10,206               | -                | -                       | -                    |
| Stock issued pursuant to Regulation A offering                 | -                 |          | 1,000,000,000        | 100,000          | 400,000              | -                | -                       | 500,000              |
| Net loss for year  | -                 | -        | -                    | -                | -                    | -                | (1,202,396)             | (1,202,396)          |
| <b>Balance:</b>  |                   |          |                      |                  |                      |                  |                         |                      |
| <b>October 31,2021</b>   | <b>24,000,000</b> | <b>-</b> | <b>6,416,459,861</b> | <b>\$641,646</b> | <b>\$ 18,590,107</b> | <b>\$210,000</b> | <b>\$ (21,344,872)</b>  | <b>(1,903,119)</b>   |
| <b>12 Months Ended October 31, 2022</b>                        |                   |          |                      |                  |                      |                  |                         |                      |
| Regulation A offering expenses                                 | -                 |          | -                    | -                | (45,000)             | -                | -                       | (45,000)             |

|  |   |             |        |   |   |           |           |
|--|---|-------------|--------|---|---|-----------|-----------|
| Stock issued on conversion of principal and interest | - | 302,184,245 | 30,218 | - | - | -         | 30,218    |
| Net loss for the 12 months Ended October 31, 2022    | - | -           | -      | - | - | (637,515) | (637,515) |

**Balance:**

|                         |                   |   |                      |                  |                      |                  |                       |                      |
|-------------------------|-------------------|---|----------------------|------------------|----------------------|------------------|-----------------------|----------------------|
| <b>October 31, 2022</b> | <u>24,000,000</u> | - | <u>6,718,644,106</u> | <u>\$671,864</u> | <u>\$ 18,545,107</u> | <u>\$210,000</u> | <u>\$(21,982,387)</u> | <u>\$(2,555,416)</u> |
|-------------------------|-------------------|---|----------------------|------------------|----------------------|------------------|-----------------------|----------------------|

See accompanying notes to financial statements

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**ON4 COMMUNICATIONS, INC.**  
**Statements of Cash Flows**  
(Unaudited)

|  | <u>12 Months Ended<br/>October 31, 2022</u> | <u>12 Months Ended<br/>October 31, 2021</u> |
|--|---|---|
| <b>Net used in operating activities:</b>                             |   |   |
| Net loss for period  | \$ (637,515)                                | \$ (1,202,396)                              |
| <b>Adjustments to reconcile net income to net cash:-</b>             |   |   |
| Reserve against accounts receivable, net of sales commission thereon | -   | 280,000                                     |
| Stock issued to CEO on exercise of stock options                     | <u>-</u>                                    | <u>10,100</u>                               |
|  | <u>-</u>                                    | <u>290,100</u>                              |
| <b>Net changes in operating assets and liabilities</b>               |   |   |
| (Increase) decrease in accounts receivable                           | (64,925)                                    | 5,014                                       |
| Decrease (increase) in prepaid expense                               | -   | (3,500)                                     |
| Increase (decrease) in accounts payable and accrued expense          | 1,321                                       | 97,533                                      |
| Increase(decrease) in accrued note interest                          | 85,271                                      | (2,281)                                     |
| Increase in amounts due related party                                | <u>580,173</u>                              | <u>571,591</u>                              |
|  | <u>601,840</u>                              | <u>668,357</u>                              |
| <b>Net cash used in operating activities</b>                         | <u>(35,675)</u>                             | <u>(243,939)</u>                            |
| <b>Cash used in investing activities</b>                             |   |   |
| Increase in investment in Sifthouse BC                               | <u>-</u>                                    | <u>(150,000)</u>                            |
| <b>Cash used in investing activities</b>                             | <u>-</u>                                    | <u>(150,000)</u>                            |
| <b>Cash from (used in) financing activities:</b>                     |   |   |
| Proceeds (costs) from Regulation A offering                          | (45,000)                                    | 500,000                                     |
| (Decrease) in loans from related party                               | -   | (116,847)                                   |
| Increase in convertible notes  | <u>40,000</u>                               | <u>-</u>                                    |
| <b>Net cash from (used in) financing activities</b>                  | <u>( 5,000)</u>                             | <u>383,153</u>                              |
| <b>Increase(decrease) in cash</b>                                    | (40,675)                                    | (10,786)                                    |
| <b>Cash – beginning of period</b>                                    | <u>83,000</u>                               | <u>93,786</u>                               |

|   |                  |                  |
|---|------------------|------------------|
| Cash – end of period                          | <u>\$ 42,325</u> | <u>\$ 83,000</u> |
| <b>Supplemental information:</b>              |                  |                  |
| <b>Transactions not involving cash flows:</b> |                  |                  |
| Repayment of convertible notes and interest   | \$( 30,218)      | \$ 383,458       |
| Increase in issued common stock               | 30,218           | (95,930)         |
| Increase in additional paid-in capital        | <u>-</u>         | <u>(287,528)</u> |
|   | <u>\$ -</u>      | <u>\$ -</u>      |

See accompanying notes to financial statements

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**ON4 COMMUNICATIONS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**12 Months Ended October 31, 2022**  
**(Unaudited)**

**1. The Company’s Organization, History, and Current Operations**

The Company was originally incorporated on **June 4, 2001** under the laws of the State of Delaware as Sound Revolution Inc. Our common stock is quoted on the Pink Sheets Quotation system under the symbol “ONCI.PK” and on the Berlin Stock Exchange under the symbol “O4C:GR”.

On **March 12, 2009**, Sound Revolution Inc. entered into a merger agreement with On4 Communications, Inc., a private Arizona company incorporated on June 5, 2006 (“On4”). On May 1, 2009 we completed the merger with On4, with Sound Revolutions Inc as the surviving entity. On October 2, 2009 the Company then changed its name to On4 Communications, Inc. On **April 29, 2010**, we sold certain specific assets to On4 Communications Inc.(a private Canadian company) and to a shareholder (“On4 Canada”) pursuant to an asset purchase agreement in exchange for On4 Canada returning 2,000,000 shares of our common stock to our treasury for cancellation.

On **March 16, 2011**, we sold our interest in the Sound Revolution business to Empire Success, LLC in exchange for \$15,000 and 6,300 shares of Empire’s common stock.

On **November 3, 2011**, we entered into a binding letter of intent (“LOI”) to acquire 100% of the issued and outstanding shares of NetCents Systems Ltd. (“NetCents”), a private Alberta corporation engaged in the development and implementation of a then unique and secure electronic payment system for online merchants and consumers. The LOI provided for a period of due diligence which was intended to lead to a formal agreement whereby the Company would acquire 100% of the issued and outstanding capital of NetCents.

On **December 15, 2011**, we entered into a share exchange agreement with NetCents and the selling shareholders of NetCents (“Share Exchange Agreement”). Pursuant to the terms of the Share Exchange Agreement, our Company and NetCents agreed to engage in a share exchange which, if completed, would result in NetCents becoming a wholly owned subsidiary of our Company. However, this transaction never in fact closed and on **November 12, 2014** the Company announced that the proposed merger agreement between On4 Communications, Inc. and NetCents Systems Ltd. had been officially rescinded. Effective July 23, 2012, Tom Locke resigned as chief financial officer, secretary, treasurer and as a director of our Company.

On **June 4, 2015** the Company filed with the State of Delaware to increase its authorized capital to 5,030,000,000 shares, comprising 5,000,000,000 common shares of \$ 0.0001 par value each and 30,000,000 preferred stock of no par value.

On **March 9, 2016** Mr. Steve Berman was appointed Chief Executive Officer and Director of the Company (Mr. Berman also holds those positions today). With his appointment, the Company totally changed its previous business plan and began to aggressively pursue business opportunities to produce a profitable business model going forward.

On **November 4, 2016** the Company acquired a 49% equity/ownership stake in Family Mobil Safety (“FMS”) Marketing, the distributor of a safe driving App. Under terms of the deal, FMS and their global distribution network of the drive safe app remains fully operational and continues as a standalone brand following the close of the acquisition. The FMS safe driving app is intended to do a number of things to keep attention on the road while you're driving and not on your smart phone. As soon as the FMS app detects

that the vehicles wheels are in motion the App will be programmed to automatically shut down all voice and social media for safe, distraction-free driving. On **December 9, 2016** the Company acquired a Forty-Nine Percent (49%) Joint-Venture equity/ownership stake in Digital Media Management & Consulting (“DMCC”) a fast-rising digital signage privately-held company headquartered in New York, NY. The DMCC platform supports advanced implementation of electronic sell-through and content advertising supported networks. On **September 1, 2017** the Company acquired, from the Company’s CEO, the remaining 51% share of the FMS Safe Driving App. business and IP. The acquisition price was \$2 million, payable in cash, convertible promissory note and/or in stock. The cash portion is expected to be financed against the Company’s accounts receivable.

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During the **12 months ended October 31, 2018** the Company began to invest in CogoSense Technology, Inc., a Canadian company, which has developed and is selling an enterprise software solution for smart phones and tablets that detects the driving state of an entire on-the-road vehicle fleet and automatically places those devices into safe mode while driving occurs, to prevent distractions. CogoSense has also developed an individual consumer App. Version , which is a fleet vehicle tracking system to monitor vehicle locations at any time. The Company’s cumulative investment at October 31, 2022 amounts to **\$1,875,000**.

On **September 14, 2018** the Company announced that it has signed a letter of intent to purchase 75% of a craft Cannabis company called Sifthouse BC for a total consideration of \$ 1 million contingent upon Sifthouse BC obtaining a license to distribute Cannabis related product in Canada. Sifthouse is a craft Cannabis company and a new business based in Vancouver. Their plan is to grow highly profitable, specialty blends of cannabis. Terms of financing are being worked out. The Company’s investment to date is **\$300,000**.

On **July 7, 2021** the Company filed a Form 1-A with the SEC to raise capital pursuant to Regulation A. The filing called for the issuance of 1,000,000,000 free trading common shares at an offering price of \$ 0.0005 per share, for a gross capital raise of \$500,000. The offering was reviewed and qualified by the SEC as of August 5, 2021. During October, 2021 the offering was fully subscribed and the Company issued 1,000,000,000 common shares upon receipt of proceeds of \$500,000 and filed Form 1-Z accordingly on October 14, 2021.

On **December 8, 2021** the Company filed a new Form 1-A/Regulation A to seek SEC approval to offer an additional 1,000,000,000 free trading common shares at the offering price of \$0.00035 per share to raise an additional \$350,000 for working capital. On January 20, 2022 the SEC qualified this offering, however to date there have been no subscriptions and no capital raised from this most recent offering.

## **2: Summary of Significant Accounting Policies**

### **Basis of Presentation**

These annual unaudited financial statements of On4 Communications, Inc. (the “Company”) have been prepared in accordance with accounting principles generally accepted in the United States and contain all normal recurring accruals and adjustments that, in the opinion of management, are necessary to present fairly the Company’s financial position at October 31, 2022 and at October 31, 2021, and the results of its operations and cash flows for the 12 months ended October 31, 2022 and October 31, 2021 respectively.

### **Cash**

At October 31, 2022 the Company had a cash balance of \$42,325 compared with a cash balance of \$83,000 at October 31, 2021.

### **Accounts Receivable**

Accounts receivable arise from the Company’s sales of the safe driving Apps, less payments received to date, and supported by executed sales contracts with customers. However, management believes that because of the depressed economic situation during 2020 for car sales as a direct result of the damaging effects of Covid-19, it was prudent to establish a substantial reserve against its accounts receivable, such that the Company’s accounts receivable balances at October 31, 2022 and at October 31, 2021 only represent those amounts subsequently collected and/or which management believes are collectible. Accordingly, a reserve of \$ 7,315,080 was established against customer accounts receivable balances as of October 31, 2020, which was further increased during the 3 months ended January 31, 2021 by a further reserve of \$320,000.

### **Investment in Family Mobile Safety (“FMS”)**

On **September 1, 2017** the Company acquired, from the Company's CEO, the remaining 51% share of the FMS Safe Driving App. business and IP. The acquisition price was \$2 million, payable in cash, convertible promissory note and/or in stock. The cash portion is expected to be financed against the Company's accounts receivable. At October 31, 2022 and October 31, 2021 the Company reflected an equal non-current liability to the Company's CEO of \$ 2 million.

#### **Investment in CogoSense Technology, Inc.**

On **August 17, 2017** the Company entered into an investment agreement with CogoSense Technology, Inc., a Canadian company that had developed an enterprise software solution for smart phones and tablets that detects the driving state of an entire on-the-road vehicle fleet and automatically places those devices into safe mode while driving occurs, to prevent distractions. CogoSense has also developed an individual consumer App version, which is a fleet vehicle tracking system to monitor vehicle locations at any time. Cumulatively through October 31, 2022 the Company has invested a total of \$ **1,875,000**.

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#### **Investment in Sifthouse BC**

On **September 14, 2018** the Company signed a letter of intent to purchase 75% of a craft Cannabis company called Sifthouse BC for a total consideration of \$ 1 million contingent upon Sifthouse BC obtaining a license to distribute Cannabis related product in Canada. Sifthouse is a craft Cannabis company and a new business based in Vancouver. Their plan is to grow highly profitable, specialty blends of cannabis. Terms of financing are being worked out. The Company's investment through October 31, 2022 totals **\$300,000**.

#### **Fixed Assets**

The Company has fully depreciated its fixed assets.

#### **Revenue Recognition**

The Company recorded sales of \$513,700 for the 12 months ended October 31, 2022, which compares with sales of \$413,500 for the 12 months ended October 31, 2021 from the sale of the safe driving Apps. Sales are recorded as revenue based on sales contracts and sales invoices when sales are made.

#### **Use of Estimates**

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

#### **Impairment Reserve**

Management believed that because of the continuing depressed economic outlook for car sales it was prudent to establish a substantial reserve against its accounts receivable, such that the Company's accounts receivable balances at October 31, 2022 of \$173,461 and at October 31, 2021 of \$108,536 equaled only the amount of cash actually collected from customers subsequent to October 31, 2022 and October 31, 2021 respectively, and/or amounts management believes are collectible. Accordingly, a reserve of \$ 7,315,080 was established against customer accounts receivable balances, less \$ 914,385 in sales commission thereon, for a net negative impact on net income of \$6,400,695 for the year ended October 31, 2020 and a net negative impact of \$280,000 on net income for the year ended October 31, 2021.

#### **Provision for Income Taxes**

At this time, no provision for the payment of income taxes is required on the results of the Company's operations through October 31, 2022. The Company has approximately \$22 million of net operating losses carried forward to potentially offset taxable income in future years, which expire commencing in calendar 2026.

#### **Current Liabilities**

The Company's liabilities at October 31, 2022 and October 31, 2021 are as follows:

Accounts payable and accrued expenses totaled \$81,954 and \$ 80,633 at October 31, 2022 and October 31, 2021, respectively. Accrued interest expense on third party debt payable totaled \$60,964 and \$ 41,749 at October 31, 2022 and October 31, 2021, respectively.

Convertible notes payable amounted to \$229,160 and \$209,160 at October 31, 2022 and October 31 2021, respectively and, with accrued interest, are summarized below as of October 31, 2022:

| <u>Note Date</u>                    | <u>Noteholder</u>    | <u>Principal</u>        | <u>Accrued Interest</u> | <u>Total</u>            |
|-------------------------------------|----------------------|-------------------------|-------------------------|-------------------------|
| 10/31/2018                          | Brandon Berman       | \$46,175                | \$9,248                 | \$55,423                |
| 12/27/2018                          | JP Carey Enterprises | 15,000                  | 9,713                   | 24,713                  |
| 4/16/2019                           | Carpathia LLC        | 15,000                  | 8,877                   | 23,877                  |
| 8/6/2019                            | Carpathia LLC        | 10,000                  | 5,365                   | 15,365                  |
| 10/1/2019                           | Donald Berman        | 45,000                  | 6,960                   | 51,960                  |
| 3/1/2020                            | Donald Berman        | 16,985                  | 2,273                   | 19,258                  |
| 1/8/2021                            | JP Carey Enterprises | 25,000                  | 6,645                   | 31,645                  |
| 1/22/2021                           | JP Carey Enterprises | 16,000                  | 4,876                   | 20,876                  |
| 2/11/2021                           | Stout, LLC           | 25,000                  | 5,153                   | 30,153                  |
| 10/20/2021                          | Stout, LLC           | <u>15,000</u>           | <u>1,854</u>            | <u>16,854</u>           |
| <b>TOTAL as of October 31, 2022</b> |                      | <b><u>\$229,160</u></b> | <b><u>\$ 60,964</u></b> | <b><u>\$290,124</u></b> |

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On February 16, 2022 the Company received a notice of conversion from JPCarey Enterprises Inc to convert its Convertible Note dated March 27, 2019 in the principal amount of \$ 20,000 plus accrued interest thereon through that date of \$ 10,218.42. The combined amount called for the conversion to 302,184,245 common shares of the Company at the conversion rate of \$0.0001 per share. The conversion request was approved by a board of directors' resolution dated March 6, 2022 and was processed through the issuance of the aforementioned common stock on March 15, 2022, which fully settled the Note

Convertible Notes payable to Carpathia LLC and to J.P. Carey Enterprises, Inc., carry interest at the rate of 12% annum for the first 9 months and 18% per annum thereafter, and are convertible at a rate of 50% of the Company's common stock based on the lowest closing bid price quoted by OTCMarkets during the 30 day trading period prior to conversion. Carpathia LLC and JP Carey Enterprises are both controlled by Joseph C. Canouse.

Convertible Notes payable to Donald Berman and Brandon Berman are convertible at a rate of 50% of the Company's common stock based on the lowest closing bid price quoted by OTCMarkets during the 15 day trading period prior to conversion.

Convertible Notes payable to Stout, LLC are convertible at a rate of 50% of the Company's common stock based on the lowest closing bid price quoted by OTCMarkets during the 30 day trading period prior to conversion. Stout, LLC is controlled by Matheau J. Stout, Esq. and were issued in part payment for legal services provided in the drafting and obtaining SEC approval to the Company's Regulation A offerings.

### 3. Amounts Due Related Party

The amounts due related party represent amounts due to the Company's CEO, Steve Berman, as follows:

|  | <u>At October 31, 2022</u> | <u>At October 31, 2021</u> |
|--|----------------------------|----------------------------|
| 5% loans to the Company                          | \$ 1,114,983               | \$ 1,114,983               |
| Accrued interest thereon                         | <u>190,328</u>             | <u>134,491</u>             |
|  | <u>\$ 1,305,311</u>        | <u>\$ 1,249,474</u>        |
| Other amounts due related party:                 |                            |                            |
| Accrued but unpaid compensation                  | \$ 950,763                 | \$ 710,763                 |
| Unreimbursed business expenses paid by the CEO   | 1,329,198                  | 1,053,238                  |
| Accrued but unpaid sales commissions             | 992,351                    | 928,138                    |
| Consideration due to acquire 51% interest in FMS | <u>2,000,000</u>           | <u>2,000,000</u>           |
|  | <u>5,272,312</u>           | <u>4,692,139</u>           |
| Total due related party                          | <u>\$ 6,577,623</u>        | <u>\$ 5,941,613</u>        |

### 4. Contingent Obligations/Liabilities

- (2) The Company entered into an Employment Agreement with Mr. Berman as of March 9, 2016 which provides compensation to Mr. Berman at the rate of \$10,000 per month and which grants Mr. Berman the right to acquire up to 50,000,000 of the Company's restricted common shares at a price of \$0.0001 per share, plus the grant of 70,000,000 stock

options exercisable at the rate of 2,500,000 common shares per calendar quarter over 7 years at a price equal to the lowest daily trading price in the previous quarter. Through July 31, 2017 he was also entitled to receive a profit incentive bonus by way of sales commissions equal to 25% of the value of all new executed contracts, net of any payments to outside services, derived by the Company from such new contracts. Mr. Berman voluntarily agreed to reduce his commission rate commencing August 1, 2017 to 12.5% and his monthly compensation rate was increased to \$ 20,000. The Company has the right to terminate Mr. Berman's Employment Agreement at any time upon payment of 6 months' salary payable in 16 monthly installments following termination.

(3) On December 15, 2016 LG Capital Funding, LLC (one of the Company's convertible note holders) commenced an action against the Company claiming that it had been prevented from converting a remaining principal balance of \$1,500 and accrued interest thereon of \$ 1,013 into common shares of the Company at the then contracted 50% discount to market stock price. A judgement in favor of LG Capital was issued by the Eastern District Court of New York on September 25, 2018. However, this order was appealed and the Company was granted a stay, pending the outcome of a similar case submitted to the Second Circuit of Appeals which pleads that these types of convertible debt contracts are usurious under New York law. In April 2019 the New York Court of Appeals declined to hear the question certified of it – whether loans with terms such as the Note in the

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(4) Company's case are void for being usurious. As a result, the federal Court of Appeals lifted the stay in our matter and requested the Company's appellate brief by May, 2019. The Company's brief was filed May 20, 2019. LG Capital submitted their opposing brief August 9 2019 and the Company's reply brief was submitted at the end of August, 2019. In early January, 2020 the LG Capital case was submitted to a panel of three judges in the Court of Appeals for review. On March 6, 2020 a Summary Order was issued by the appellant court affirming the original judgement of the District Court and declining the Company's appeal. The Company has included in its Accounts Payable at October 31, 2022 and at October 31, 2021 the sum of \$54,543 believed, by management, to be the full liability payable by the Company to LG Capital pursuant to this action, although management believes that this judgement will not in fact be ultimately enforced because LG Capital is reportedly no longer in business

## 5. Covid -19 disclosure

The coronavirus pandemic has adversely affected the Company's business in the 12 months ended October 31, 2021 and may continue to adversely affect our revenue coupled with supply chain delays in the automotive industry. This impact on our operations and distribution systems may also impair our ability to raise capital. There is uncertainty around the duration and breadth of these issues on the ultimate impact on our business. Such impact on the Company's financial condition and operating results cannot be reasonably estimated at this time, since the extent of such impact is dependent on future developments, which are highly uncertain and cannot be predicted.

## 6. Going Concern

The accompanying unaudited consolidated financial statements have been prepared assuming the Company will continue as a going concern, which implies that the Company would continue to realize its assets and discharge its liabilities in the normal course of business. As of October 31, 2022, the Company has a working capital deficiency of \$152,793, an accumulated deficit of \$21,982,387 and has a stockholder's deficit of \$2,555,416. The Company's operations continue to be funded primarily from direct and indirect financing from its CEO and from its Regulation A offering in 2021. During the 12 months ended October 31, 2022 the Company had a net operating loss of \$552,224. These factors raise substantial doubt about the Company's ability to continue as a going concern for a period of twelve months from the issuance of this report. The ability of the Company to continue as a going concern is dependent on the Company's ability to obtain the necessary financing through the additional issuance of convertible notes and/or additional issuance of equity instruments, the continued financial support from the Company's CEO, and the Company's ability to obtain substantial sales contracts for its product. Management is actively working to obtain such substantial sales contracts, but there is no guarantee that the Company will be successful in its efforts. These unaudited consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

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