Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

FUSION INTERACTIVE CORP.

4380 NE 11TH AVE, SUITE 1011, OAKLAND PARK, FL, 33334

(954) 280-9090
www.fusioninteractive.info
ir@fusioninteractive.info
SIC: 7371

Annual Report

For the period ending DECEMBER 31, 2022 **(the "Reporting Period")**

Outstanding Shares
The number of shares outstanding of our Common Stock was:

17,384,895 as of April 5, 2023

17,384,895 as of December 31, 2022

Shell Status
Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Change in Control
Indicate by check mark whether a Change in Control[1] of the company has occurred over this reporting period:

Yes: ☐ No: ☒

[1] "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

1) Name and address(es) of the issuer and its predecessors (if any)

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Fusion Interactive Corp. 12-2014 to present
The Good Water Company Inc. until 12-2014
Proton Laboratories, Inc. until 5-2013
BentleyCapitalCorp.com, Inc. until 4-04

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

Incorporated 03/14/2000 in Washington. Current in the state of Washington

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

The address(es) of the issuer's principal executive office:

4380 NE 11TH AVE, SUITE 1011, OAKLAND PARK, FL 33334

The address(es) of the issuer's principal place of business:
☒ *Check if principal executive office and principal place of business are the same address:*

______

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

No: ☒ Yes: ☐ If Yes, provide additional details below:

______

2) Security Information

Transfer Agent

Name: Olde Monmouth Stock Transfer Co., Inc.
Phone: (732) 872-2727
Email: matt@oldemonmouth.com
Address: 200 Memorial Pkwy
Atlantic Heights, NJ 07716

Publicly Quoted or Traded Securities:

The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.

Trading symbol:	FUIG	
Exact title and class of securities outstanding:	Common Stock	
CUSIP:	36113V109	
Par or stated value:	$.001	
Total shares authorized:	750,000,000	as of date: 12/31/2022
Total shares outstanding:	17,384,895	as of date: 12/31/2022
Total number of shareholders of record:	274	as of date: 12/31/2022

All additional class(es) of publicly quoted or traded securities (if any):

Trading symbol:	____	
Exact title and class of securities outstanding:	____	
CUSIP:	____	
Par or stated value:	____	
Total shares authorized:	____	as of date: ______
Total shares outstanding:	____	as of date: ______
Total number of shareholders of record:	____	as of date: __

Trading symbol:	____	
Exact title and class of securities outstanding:	____	
CUSIP:	____	
Par or stated value:	____	
Total shares authorized:	____	as of date: ______
Total shares outstanding:	____	as of date: ______
Total number of shareholders of record:	____	as of date: __

Other classes of authorized or outstanding equity securities:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g. preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	Series A Preferred Stock	
CUSIP (if applicable):	N/A	
Par or stated value:	$.001	
Total shares authorized:	10,000,000	as of date: 12/31/2022
Total shares outstanding (if applicable):	6,750,000	as of date: 12/31/2022
Total number of shareholders of record (if applicable):	7	as of date: 12/31/2022

Exact title and class of the security:	Series B Preferred Stock
CUSIP (if applicable):	N/A

Par or stated value:	$.001	
Total shares authorized:	30,000	as of date: 12/31/2022
Total shares outstanding (if applicable):	30,000	as of date: 12/31/2022
Total number of shareholders of record (if applicable):	1	as of date: 12/31/2022

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

1. **For common equity, describe any dividend, voting and preemption rights.**

General. The voting, dividend, and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers, and preferences of the holders of the Preferred Stock set forth herein.

Voting. The holders of the Common Stock are entitled to one vote for each share of Common Stock held at all meetings of shareholders. There shall be no cumulative voting.

Preemptive Rights. The holders of the Common Stock shall not have preemptive rights to acquire shares of stock or securities convertible into shares of stock issued by the corporation."

2. **For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

Series A Preferred:
Dividends: The holders of the Series A Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend on each outstanding share of Series A Preferred Stock in an amount at least equal to (i) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Series A Preferred Stock as would equal the product of (A) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (B) the number of shares of Common Stock issuable upon conversion of a share of Series A Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (ii) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Series A Preferred Stock determined by (A) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (8) multiplying such fraction by an amount equal to the Series A Original Issue Price (as defined below); provided that, if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Corporation, the dividend payable to the holders of Series A Preferred Stock pursuant to this Section 1 shall be calculated based upon the dividend on the class or series of capital stock that would result in the highest Series A Prefem:<l Stock dividend. The "Series A Origi11a/ Issue Price" shall mean $1.00 per share, subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock.

Liquidation: In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the holders of shares of Series A Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its shareholders before any payment shall be made to the holders of Series B Preferred Stock or Common Stock

Voting: Series A Preferred Stock has no voting rights except as required by law.

Conversion: Each share of Series A Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into that number of fully paid and nonassessable shares of Common Stock (whether whole or fractional) that have a Fair Market Value, in the aggregate, equal to the Series A Conversion Price. The "Series A Conversion Price" shall initially be equal to $1.00. Such initial Series A Conversion Price, and the rate at which shares of Series A Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below. "Fair Market Value" shall mean as of any date of determination, the average closing price of a share of Common Stock on the principal exchange or market on which such shares are then trading for the 20 trading days immediately preceding such date.

Series B Preferred:
Dividends: The holders of the Series B Preferred Stock then outstanding shall first receive, or simultaneously receive, a dividend 011 each outstanding share of Series B Preferred Stock in an amount at least equal to (i) in the case of a dividend on Common Stock or any class or series that is convertible into Common Stock, that dividend per share of Series B Preferred Stock as would equal the product of (A) the dividend payable on each share of such class or series determined, if applicable, as if all shares of such class or series had been converted into Common Stock and (B) the number of shares of Common Stock issuable upon conversion of a share of Series B Preferred Stock, in each case calculated on the record date for determination of holders entitled to receive such dividend or (ii) in the case of a dividend on any class or series that is not convertible into Common Stock, at a rate per share of Series B Preferred Stock determined by (A) dividing the amount of the dividend payable on each share of such class or series of capital stock by the original issuance price of such class or series of capital stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such class or series) and (B) multiplying such fraction by an amount equal to the Series B Original Issue Price (as defined below); provided that, if the Corporation declares, pays or sets aside, on the same date, a dividend on shares of more than one class or series of capital stock of the Corporation, the dividend payable to the holders of Series B Preferred Stock pursuant to this Section I shall be calculated based upon the dividend on the c]ass or series of capital stock that would result in the highest Series B Preferred Stock dividend.

Liquidation. Each share of Series B Preferred Stock shall automatical1y be converted into shares of Common Stock at the then applicable conversion rate.

Voting. Each holder of outstanding shares of Series B Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Series B Preferred Stock held by such holder are convertible as of the record date for determining shareholders entitled to vote on such matter. Except as provided by law or by the other provisions of the Articles of Incorporation, holders of Series B Preferred Stock shall vote together with the holders of Common Stock as a single class.

3. **Describe any other material rights of common or preferred stockholders.**

None

4. **Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.**

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: Opening Balance Date 12/31/2020 Common: 12,005,330 Preferred: 6,780,000			*Right-click the rows below and select "Insert" to add rows as needed.						
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. *You must disclose the control person(s) for any entities listed.**	**Reason for share issuance (e.g. for cash or debt conversion) - OR- Nature of Services Provided**	**Restricted or Unrestricted as of this filing.**	**Exemption or Registration Type.**
February 3, 2021	New	590,000	Common	$.01	Yes	Mastiff Group LLC, Marissa Welner	Debt Conversion	Unrestricted	Rule 144
September 20, 2021	New	1,000,000	Common	.01495	Yes	Dan Ionescu	Debt Conversion	Unrestricted	Rule 144
September 20, 2021	New	770,713	Common	.013	Yes	Thomas Wells	Debt Conversion	Restricted	4(a)(2)
September 20, 2021	New	1,335,113	Common	.00749	Yes	Rick Scott	Debt Conversion	Restricted	4(a)(2)
September 20, 2021	New	1,114,119	Common	.01	Yes	Zdenka Andjelkovic	Stock Purchase	Restricted	4(a)(2)
April 1, 2022	New	569,620	Common	.0079	Yes	Mastiff Group LLC, Marissa Welner	Debt Conversion	Unrestricted	Rule 144
Shares Outstanding on Date of This Report: Ending Balance Ending Balance: Date 12/31/2022 Common: 17,384,895 Preferred: 6,780,000									

Example: A company with a fiscal year end of December 31st, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2021 through December 31, 2022 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

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. *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
10/23/2014	116,772	75,115 (1)	41,657	07/16/23	70% of the average of the five lowest intraday prices for the Company's stock during the previous 20 trading days.	Mastiff Group LLC (Marissa Welner)	Loan
12/28/2018	102,299	78,252	38,997	06/28/23	70% of the average of the five lowest intraday prices for the Company's stock during the previous 20 trading days	Dan Ionescu	Loan
9/22/2016	12,017	8,000	4,017	9/22/23	70% of the average of the five lowest intraday prices for the Company's stock during the previous 20 trading days	Fenwood Capital (Dimitrios Liakopolous)	Loan
12/16/2016	13,834	10,000	4,835	07/16/22	70% of the average of the five lowest intraday prices for the Company's stock during the previous 20 trading days	Jaycee Investments (Yvon Cormier)	Loan
1/26/10	101,726	50,000	51,726	07/26/23	70% of the average of the five lowest intraday prices for the Company's stock during the previous 20 trading days	JAK Family Trust Dan Ionescu	Loan
1/16/18	139,430	100,000	39,430	07/16/23	70% of the average of the five lowest intraday prices for the Company's stock during the previous 20 trading days	Mastiff Group LLC (Marissa Welner)	Acquisition
1/16/2018	209,145	150,000	59,145	07/16/23	70% of the average of the five lowest intraday prices for the Company's stock during the previous 20 trading days	PhoneFusion Series II of Velocity Partners International LLC Yvon Cormier	Acquisition
1/01/20	95,173	73,430	21,743	12/31/22	50% of the average of the five lowest intraday prices for the Company's stock during the previous 20 trading days	Keystone Capital Partners, LLC (Fredric Zaino)	Loan (Grid Promissory Note)
03/02/20	1,714	10,000	1,714	03/02/22	70% of the average of the five lowest intraday prices for the Company's stock during the previous 20 trading days	Thomas Wells	Loan
02/21/20	7,022	5,000	2,022	02/28/22	70% of the average of the five lowest intraday prices for the Company's stock during the previous 20 trading days	Brian Fitzgerald	Loan

03/06/20	7,007	5,000	2,007	03/06/22	70% of the average of the five lowest intraday prices for the Company's stock during the previous 20 trading days	Brian Fitzgerald	Loan
02/28/20	1,735	10,000	1,735	02/20/22	70% of the average of the five lowest intraday prices for the Company's stock during the previous 20 trading days	Rick Scott	Loan
04/16/20	3,676	10,000	3,676	04/16/22	70% of the average of the five lowest intraday prices for the Company's stock during the previous 20 trading days	Rick Scott	Loan
02/17/20	7,461	5,000	2,461	02/28/20	70% of the average of the five lowest intraday prices for the Company's stock during the previous 20 trading days	Kyle Beaudry	Loan

Use the space below to provide any additional details, including footnotes to the table above:

(1) Original balance of $15,115 plus additional advances $60,000.

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.
(Please ensure that these descriptions are updated on the Company's Profile on www.otcmarkets.com).

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

Fusion Interactive custom engineers communication solutions for partners who deliver value-added services to clients. Our mobile cloud services enable global telecommunication companies, mobile virtual network operators, financial institutions, city portals, consumer product companies, media firms, and businesses to communicate with their clients more effectively.

B. List any subsidiaries, parent company, or affiliated companies.

Fusion Interactive operates through two subsidiaries: Phonefusion Inc. (www.phonefusion.com) and Konnect Global LLC (www.konnectglobal.net).The CEO of Phonefusion is Michael Self. The president of Konnect Global is Jerson Cayo

C. Describe the issuers' principal products or services.

PhoneFusion provides products and services that typically target system integrators located primarily in the United States, who then integrate these products for their clients. Typical clients include marketing agencies and system integrators, including companies that provide solutions in the call center and emergency services sectors.

Konnect Global targets small businesses throughout the United States, and provides audio, video, conferencing, and business automation services. It focuses its marketing efforts on member-based organizations such as chambers of commerce, associations, tourist bureaus, and destination management organizations.

5) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The Company, through its subsidiary, leases a 5,000 square foot building in Fort Lauderdale, Florida.

6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more that 5% of any class of the issuers securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Names of All Officers, Directors and Control Persons	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Names of control person(s) if a corporate entity
Andy Rouse	CEO/Director	London, UK	7,500,000	Common	43.1%	
Michael Armandi	Director	New York, NY	-	-	-	
Michael Self	President of Phonefusion	Fort Lauderdale, FL	3,419,608	Series A Preferred	50.6%	
Jerson Cayo	President of Konnect Global	Orlando, FL	-	-	-	
Phone Fusion II Series Velocity Partners International LLC	5% Holder	New Brunswick, Canada	30,000	Series B Preferred	100%	Yvon Cormier
Rick Scott	5% Holder	Tampa, FL	1,335,113	Common	7.9%	
Zdenka Andjelkovic	5% Holder	Belgrade, Serbia	1,114,119	Common	6.6%	

7) Legal/Disciplinary History

A. Identify whether any of the persons or entities 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, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Jonathan D. Leinwand
Firm: Jonathan Leinwand, P.A.
Address 1: 18305 Biscayne Blvd. Suite 200
Address 2: Aventura, FL 33180
Phone: 954-903-7856
Email: jonathan@jdlpa.com

Accountant or Auditor

Name: ______
Firm: ______
Address 1: ______
Address 2: ______

Phone: ______
Email: ______

Investor Relations

Name: ______
Firm: ______
Address 1: ______
Address 2: ______
Phone: ______
Email: ______

All other means of Investor Communication:

Twitter: ______
Discord: ______
LinkedIn ______
Facebook: ______
[Other] ______

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement.** This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: ______
Firm: ______
Nature of Services: ______
Address 1: ______
Address 2: ______
Phone: ______
Email: ______

9) Financial Statements

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

☐ IFRS
☒ U.S. GAAP

B. The following financial statements were prepared by (name of individual)[2]:

Name: **Michael Armandi**
Title: ______
Relationship to Issuer: **Director**
Describe the qualifications of the person or persons who prepared the financial statements: Mr. Armandi has over nineteen years of business finance, accounting, tax and corporate auditing experience, including positions at Arthur Andersen, LLP, along with other regional accounting firms.

[2] The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

Provide the following financial statements for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

a. Audit letter, if audited;
b. Balance Sheet;
c. Statement of Income;
d. Statement of Cash Flows;
e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
f. Financial Notes

10) Issuer Certification

Principal Executive Officer:

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) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Andy Rouse certify that:

1. I have reviewed this Disclosure Statement for Fusion Interactive 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.

04/28/2023 [Date]

/s/Andy Rouse [CEO's Signature]

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

Principal Financial Officer:

I, Andy Rouse certify that:

1. I have reviewed this Disclosure Statement for Fusion Interactive 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.

04/28/2023 [Date]

/s/ Andy Rouse [CFO's Signature]

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

FUSION INTERACTIVE CORP. AND SUBSIDIARY

Consolidated Financial Statements

For the Years Ended December 31, 2022 and 2021

FUSION INTERACTIVE CORP. AND SUBSIDIARY

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FUSION INTERACTIVE CORP. AND SUBSIDIARY
Consolidated Balance Sheets

	December 31, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	$ 10,995	$ 169,308
Escrow	2,500	2,500
Accounts receivable, net	792,284	575,360
Loans receivable - related parties	283,755	283,755
Other receivables	21,000	21,000
Due from related parties	96,738	126,785
Total Current Assets	1,207,272	1,178,708
Furniture and equipment, net	-	1,410
Goodwill and intangible assets, net	275,000	275,000
Security deposits	36,120	36,120
TOTAL ASSETS	$ 1,518,392	$ 1,491,238
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES:		
Accounts payable and accrued expenses	$ 4,138,057	$ 3,834,448
Deferred revenue	277,785	18,294
Notes payable	77,982	77,982
Convertible notes payable	559,847	564,347
Current portion of debt settlement	60,000	60,000
Derivative liabilities	352,570	840,785
Other current liabilities	657,992	1,021,321
Total Current Liabilities	6,124,233	6,417,177
LONG-TERM LIABILITIES:		
Long term portion of debt settlement	1,132,500	1,162,500
Total Long-Term Liabilities	1,132,500	1,162,500
TOTAL LIABILITIES	7,256,733	7,579,677
Commitments and contingencies	-	-
STOCKHOLDERS' DEFICIT:		
Convertible preferred stock, Series A, $0.001 par value, 6,750,000 shares authorized, 6,750,000 and 6,750,000 shares issued and outstanding, respectively	6,750	6,750
Convertible preferred stock, Series B, $0.001 par value, 30,000 shares authorized, 30,000 and 30,000 shares issued and outstanding, respectively	30	30
Common stock; 750,000,000 shares authorized at $0.001 par value, 17,384,895 and 16,815,275 shares issued and outstanding, respectively	17,385	16,815
Additional paid-in capital	9,245,510	9,241,580
Accumulated deficit	(15,008,016)	(15,353,614)
TOTAL STOCKHOLDERS' DEFICIT	(5,738,341)	(6,088,439)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 1,518,392	$ 1,491,238

The accompanying notes are an integral part of these consolidated financial statements

FUSION INTERACTIVE CORP. AND SUBSIDIARY

Consolidated Statements of Operations

	For the Years Ended December 31, 2022	2021
REVENUES, NET	$ 2,528,500	$ 3,015,041
COST OF SALES	1,320,318	1,735,899
GROSS PROFIT	1,208,182	1,279,142
OPERATING EXPENSES		
General and administrative	1,111,011	1,247,845
Sales and marketing	133,895	100,421
Research and development	306,756	416,625
Depreciation and amortization	1,410	1,995
TOTAL OPERATING EXPENSES	1,553,072	1,766,886
LOSS FROM OPERATIONS	(344,890)	(487,744)
OTHER INCOME (EXPENSES)		
Interest expense, net	(77,725)	(70,915)
Change in derivative liabilities	488,215	(365,137)
Other income	280,101	2,236
TOTAL OTHER INCOME (EXPENSES)	690,488	(433,816)
NET INCOME (LOSS)	$ 345,598	$ (921,560)
INCOME (LOSS) PER SHARE		
Basic	$ 0.02	$ (0.07)
Diluted	$ 0.00	$ (0.07)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING		
Basic	17,102,401	13,689,960
Diluted	661,725,282	13,689,960

The accompanying notes are an integral part of these consolidated financial statements

FUSION INTERACTIVE CORP. AND SUBSIDIARY
Consolidated Statements of Stockholders' Deficit

	Preferred Stock			Common Stock		Additional Paid-In	Accumulated	
	Series A	Series B	Amount	Shares	Amount	Capital	Deficit	Total
Balance, December 31, 2020	6,750,000	30,000	$ 6,780	12,005,330	$ 12,005	$ 9,195,540	$ (14,432,054)	$ (5,217,729)
Issuance of common stock towards principal of convertible note	-	-	-	3,695,826	3,696	37,154	-	40,850
Issuance of common stock for cash	-	-	-	1,114,119	1,114	8,886	-	10,000
Net loss	-	-	-	-	-	-	(921,560)	(921,560)
Balance, December 31, 2021	6,750,000	30,000	$ 6,780	16,815,275	$ 16,815	$ 9,241,580	$ (15,353,614)	$ (6,088,439)
Issuance of common stock towards principal of convertible note	-	-	-	569,620	570	3,930	-	4,500
Net loss	-	-	-	-	-	-	345,598	345,598
Balance, December 31, 2022	6,750,000	30,000	$ 6,780	17,384,895	$ 17,385	$ 9,245,510	$ (15,008,016)	$ (5,738,341)

The accompanying notes are an integral part of these consolidated financial statements

FUSION INTERACTIVE CORP. AND SUBSIDIARY

Consolidated Statements of Cash Flows

	For the Years Ended December 31, 2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income (loss)	$ 345,598	$ (921,560)
Adjustment to reconcile net income (loss) to net cash used in operating activities:		
Depreciation and amortization	1,410	1,995
Change in derivative liabilities	(488,215)	365,137
Changes in operating assets and liabilities:		
Accounts receivable	(216,924)	(23,536)
Due from related parties	30,047	22,675
Accounts payable and accrued expenses	303,609	536,391
Deferred revenue	259,491	(29,111)
Other current liabilities	(363,329)	74,234
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(128,313)	24,480
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds to related party loans	-	7,000
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	7,000
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from notes payable	-	19,482
Proceeds from convertible notes payable	-	80,500
Payments towards debt settlement	(30,000)	(60,000)
Common stock issued for cash	-	10,000
NET CASH (USED IN) PROVIDED BY FINANCING ACTIVITIES	(30,000)	49,982
Net (decrease) increase in cash and cash equivalents	(158,313)	81,462
Cash and cash equivalents at beginning of year	169,308	87,846
Cash and cash equivalents at end of year	$ 10,995	$ 169,308
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash paid for interest	$ -	$ -
Cash paid for income taxes	$ -	$ -
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Conversion of convertible note into common stock	$ 4,500	$ 40,850

The accompanying notes are an integral part of these consolidated financial statements

NOTE 1 – ORGANIZATION

Fusion Interactive Corp. ("Fusion") was incorporated in the State of Washington on March 13, 2000, as Bentley Capital Corporation.com Inc. On July 7, 2014, Fusion and PhoneFusion, Inc. ("PhoneFusion") approved the merger of Fusion Unified Communications, a wholly owned Subsidiary of the Company created for the purposes of the merger, and PhoneFusion, both Delaware corporations (collectively, the "Company"). PhoneFusion was incorporated in the state of Delaware on July 10, 2007.

The merger was accounted for as a reverse merger and a recapitalization in accordance with accounting principles generally accepted in the United States of America. As a result, these consolidated financial statements reflect the: (i) historical results of PhoneFusion, Inc. prior to the merger, (ii) combined results of the Company following the merger, and (iii) acquired assets and liabilities at their historical cost. The accompanying consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America.

The Company is a provider of unified communication services. Such services include mobile messaging, call management, VoIP, visual voicemail, audio and video conferencing, automated response and notification, Desktop-as-a-Service, storage, and more, all hosted in a distributed, fault-tolerant, highly performant, flexible cloud environment, managed through an intuitive interface with automated provisioning and easy user management. The Company also provides critical services that free a business from needing to deploy or maintain its own infrastructure, and allow for easy access to corporate resources from anywhere, at any time, on any device, thus giving rise to the Company's tag line "Virtually Everywhere".

On January 27, 2018, the Company entered into an acquisition agreement with Konnect Global, LLC ("Konnect"), whereby the Company acquired 100% of Konnect (see Note 6). Konnect provides omni channel communications inclusive of messaging, voice, video and conferencing services. Konnect's platform allows connectivity from around the world between any Konnect end point. The platform allows a complete end-to-end collaborative environment for families, consumers, and organizations differentiating it from other video conferencing systems such as Zoom and Go To Meeting or VOIP companies such as Vonage, Ring Central or 8x8.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of PhoneFusion and Konnect. Intercompany accounts and transactions have been eliminated in consolidation. Certain comparative figures have been reclassified to conform to the current year's presentation.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions which affect the reporting of assets and liabilities as of the dates of the financial statements and revenues and expenses during the reporting period. These estimates primarily relate to the allowance for doubtful accounts and asset valuations. Actual results could differ from these estimates. Management's estimates and assumptions are reviewed periodically, and the effects of revisions are reflected in the consolidated financial statements in the periods they are determined to be necessary.

BASIS OF PRESENTATION

These consolidated financial statements are prepared in accordance with Generally Accepted Accounting Principles ("GAAP").

CASH AND CASH EQUIVALENTS

The Company considers highly liquid investments with original maturities of three months or less when purchased as cash equivalents. The Company had no cash equivalents as of December 31, 2022 and 2021. At times throughout the year, the Company might maintain bank balances that may exceed Federal Deposit Insurance Corporation insured limits. Periodically, the Company evaluates the credit worthiness of the financial institutions, and has not experienced any losses in such accounts. At December 31, 2022 and 2021, the Company had $0 and $0 over the insurable limit.

ACCOUNTS RECEIVABLE

Accounts receivable primarily consists of receivables from undeposited funds from the Company's credit card processor and receivables arising from the normal course of business from telecommunication services.

Accounts receivable are presented net of an allowance for doubtful accounts. The Company maintains allowances for doubtful accounts for estimated losses. The Company reviews the accounts receivable on a periodic basis and makes general and specific allowances when there is doubt as to the collectability of individual balances. In evaluating the collectability of individual receivable balances, the Company considers many factors, including the age of the balance, a customer's historical payment history, its current credit-worthiness and current economic trends. Accounts are written off after exhaustive efforts at collection. At December 31, 2022 and 2021, the Company has established, based on a review of its outstanding balances, that no allowance is necessary.

LONG LIVED ASSETS

The Company evaluates the carrying value and recoverability of its long-lived assets when circumstances warrant such evaluation by applying the provisions of ASC 360-35, *Property, Plant and Equipment, Subsequent Measurement* ("ASC 360-35"). ASC 360-35 requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable through the estimated undiscounted cash flows expected to result from the use and eventual disposition of the assets. Whenever any such impairment exists, an impairment loss will be recognized for the amount by which the carrying value exceeds the fair value.

VALUATION OF GOODWILL AND INTANGIBLE ASSETS

The Company assesses goodwill and intangible assets for potential impairments at the end of each fiscal year, or during the year if an event or other circumstance indicates that the Company may not be able to recover the carrying amount of the asset. In evaluating goodwill and intangible assets for impairment, the Company first assesses qualitative factors to determine whether it is more likely than not (that is, a likelihood of more than 50 percent) that the fair value of a reporting unit is less than its carrying amount. If the Company concludes that it is not more likely than not that the fair value of a reporting unit is less than its carrying value, then no further testing of the goodwill and intangible assets assigned to the reporting unit is required. However, if the Company concludes that it is more likely than not that the fair value of a reporting unit is less than its carrying value, then the Company will perform a two-step goodwill and intangible assets impairment test to identify potential goodwill and intangible assets impairment and measure the amount of goodwill and intangible assets impairment to be recognized, if any.

In the first step of the review process, the Company compares the estimated fair value of the reporting unit with its carrying value. If the estimated fair value of the reporting unit exceeds its carrying amount, no further analysis is needed. If the estimated fair value of the reporting unit is less than its carrying amount, the Company proceeds to the second step of the review process to calculate the implied fair value of the reporting unit goodwill and intangible assets in order to determine whether any impairment is required. The Company calculates the implied fair value of the reporting unit goodwill and intangible assets by allocating the estimated fair value of the reporting unit to all of the assets and liabilities of the reporting unit as if the reporting unit had been acquired in a business combination. If the carrying value of the reporting unit's goodwill and intangible assets exceeds the implied fair value of the intangible assets, the Company recognizes an impairment loss for that excess amount. In allocating the estimated fair value of the reporting unit to all of the assets and liabilities of the reporting unit, the Company uses industry and market data, as well as knowledge of the industry and the Company's past experiences.

The Company bases its calculation of the estimated fair value of a reporting unit on the income approach. For the income approach, the Company uses internally developed discounted cash flow models that include, among others, the following assumptions: projections of revenues and expenses and related cash flows based on assumed long-term growth rates and demand trends; expected future investments to grow new units; and estimated discount rates. The Company bases these assumptions on its historical data and experience, third-party appraisals, industry projections, micro and macro general economic condition projections, and its expectations.

The Company had no goodwill and intangible assets impairment charges for the years ended December 31, 2022 and 2021, and as of the date of each of the most recent detailed tests, the estimated fair value of each of its reporting units exceeded its' respective carrying amount by more than 100% based on its models and assumptions.

CONVERTIBLE INSTRUMENTS

The Company evaluates and accounts for conversion options embedded in its convertible instruments in accordance with professional standards for Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 815, *Derivatives and Hedging* ("ASC 815").

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

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

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

FAIR VALUE OF FINANCIAL INSTRUMENTS

GAAP requires certain disclosures regarding the fair value of financial instruments. The fair value of financial instruments is made as of a specific point in time, based on relevant information about financial markets and specific financial instruments. As these estimates are subjective in nature, involving uncertainties and matters of significant judgment, they cannot be determined with precision. Changes in assumptions can significantly affect estimated fair values.

GAAP defines fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required or permitted to be recorded at fair value, the Company considers the principal, or most advantageous market in which it would transact, and it considers assumptions that market participants would use when pricing the asset or liability.

GAAP establishes a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial instrument's categorization within the fair value hierarchy is based upon the degree of subjectivity that is necessary to estimate the fair value of a financial instrument. GAAP establishes three levels of inputs that may be used to measure fair value:

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

Level 2 – Level 2 applies to assets or liabilities for which there are inputs other than quoted prices included within Level 1 that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

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

The following table presents assets and liabilities that are measured and recognized at fair value as of December 31, 2022 and 2021, on a recurring basis:

Assets and liabilities measured at fair value on a recurring basis at December 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total Carrying Value**
Derivative liabilities	$ -	$ (352,570)	$ -	$ (352,570)

Assets and liabilities measured at fair value on a recurring basis at December 31, 2021	**Level 1**	**Level 2**	**Level 3**	**Total Carrying Value**
Derivative liabilities	$ -	$ (840,785)	$ -	$ (840,785)

INCOME TAXES

The Company accounts for income taxes under ASC 740-10-30, *Income Taxes*. Deferred income tax assets and liabilities are determined based upon 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. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the consolidated statements of operations in the period that includes the enactment date.

At the adoption date of November 1, 2007, the Company had no unrecognized tax benefit which would affect the effective tax rate if recognized. The Company includes interest and penalties arising from the underpayment of income taxes in the consolidated statements of operations in the provision for income taxes. As of December 31, 2022 and 2021 the Company had no accrued interest or penalties related to uncertain tax positions. The Company files an income tax return in the U.S. federal jurisdiction and the state of Delaware. With few exceptions, the Company is no longer subject to U.S. federal, state, and local, or non-U.S. income tax examinations by tax authorities for years before 2015.

RECOGNITION OF REVENUE

The Company recognizes revenue under ASC 606, *Revenue from Contracts with Customers* ("ASC 606"). The core principle of this standard is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services.

ASC 606 prescribes a five step process to achieve its core principle. The Company recognizes revenue from product sales as follows:

I. Identify the contract with the customer.
II. Identify the contractual performance obligations.
III. Determine the amount of consideration/price for the transaction.
IV. Allocate the determined amount of consideration/price to the contractual obligations.
V. Recognize revenue when or as the performing party satisfies performance obligations.

The consideration/price for the transaction (performance obligation(s)) is determined as per the invoice for the products.

The Company derives its revenue from sales of its unified communication services. The Company recognizes revenue from product sales only when there is persuasive evidence of an arrangement, delivery has occurred, the sale price is determinable and collectability is reasonably assured and from fees as paid for in an online transaction.

RESEARCH AND DEVELOPMENT

Research and development costs relate to the development of new products, including significant improvements and refinements to existing products, and are expensed as incurred. Research and development expenses for the years ended December 31, 2022 and 2021 were $306,756 and $416,625, respectively.

ADVERTISING EXPENSE

The Company expenses advertising costs as they are incurred. Advertising expense for the years ended December 31, 2022 and 2021 were $133,895 and $100,421, respectively.

STOCK BASED COMPENSATION

The Company follows FASB ASC 718, *Compensation – Stock Compensation*, which prescribes accounting and reporting standards for all share-based payment transactions. Transactions include incurring liabilities, or issuing or offering to issue shares, options, and other equity instruments such as employee stock ownership plans and stock appreciation rights. Share-based payments to employees, including grants of employee stock options, are recognized as compensation expense in the consolidated financial statements based on their fair values. That expense is recognized over the period during which an employee is required to provide services in exchange for the award, known as the requisite service period (usually the vesting period).

For the years ended December 31, 2022 and 2021, the Company had $0 in stock based compensation.

NEW ACCOUNTING PRONOUNCEMENTS

There are various updates recently issued, most of which represented technical corrections to the accounting literature or application to specific industries and are not expected to a have a material impact on the Company's financial position, results of operations or cash flows.

NOTE 3 – GOING CONCERN

The Company’s consolidated financial statements have been prepared using generally accepted accounting principles in the United States of America applicable to a going concern which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has incurred net income (losses) of $345,598 and $(921,560) during the years ended December 31, 2022 and 2021, respectively. Cash on hand will not be sufficient to cover debt repayments, operating expenses and capital expenditure requirements for at least twelve months from the consolidated balance sheet date. As of December 31, 2022 and 2021, the Company had working capital deficits of $4,916,961 and $5,238,469, respectively. In order to continue as a going concern, the Company will need, among other things, additional capital resources. Management’s plan is to seek equity and/or debt financing. However, management cannot provide any assurances that the Company will be successful in accomplishing any of its plans.

There are no assurances that the Company will be able to either (1) achieve a level of revenues adequate to generate sufficient cash flow from operations; or (2) obtain additional financing through either private placements, public offerings and/or bank financing necessary to support the Company's working capital requirements. To the extent that funds generated from operations, any private placements, public offerings and/or bank financing are insufficient, the Company will have to raise additional working capital. No assurance can be given that additional financing will be available, or if available, will be on terms acceptable to the Company.

The ability of the Company to continue as a going concern is dependent upon its ability to successfully accomplish the plans described in the preceding paragraph and eventually secure other sources of financing and attain profitable operations. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

NOTE 4 – LOSS PER SHARE

The Company utilizes the guidance per ASC 260, *Earnings Per Share*. Basic earnings per share is calculated on the weighted effect of all common shares issued and outstanding, and is calculated by dividing net income available to common stockholders by the weighted average shares outstanding during the period. Diluted earnings per share, which is calculated by dividing net income available to common stockholders by the weighted average number of common shares used in the basic earnings per share calculation, plus the number of common shares that would be issued assuming conversion of all potentially dilutive securities outstanding. The basic and diluted earnings per share for the years ended December 31, 2022 and 2021 are as follows:

	For the Three Months Ended December 31,		For the Years Ended December 31,	
	2022	2021	2022	2021
Numerator				
Net income (loss)	$ (185,496)	$ (175,530)	$ 345,598	$ (921,560)
Denominator				
Weighted average common shares outstanding - basic	17,384,870	13,099,864	17,102,401	13,689,960
Dilution associated with convertible notes	116,326,781	100,944,769	116,326,781	100,944,769
Dilution associated with preferred stock	528,296,100	511,207,500	528,296,100	511,207,500
Weighted average common shares outstanding - diluted	662,007,751	625,252,133	661,725,282	625,842,229

NOTE 5 – LOANS RECEIVABLE – RELATED PARTIES

Loans receivable – related parties consisted of the following officer loans at December 31, 2022 and 2021:

	December 31, 2022	December 31, 2021
J. Hollander	$ 114,700	$ 114,700
M. Self	83,555	83,555
R. Penn	85,500	85,500
Total	$ 283,755	$ 283,755

All related party loans bear no interest, are unsecured and are due on demand.

NOTE 6 – FURNITURE AND EQUIPMENT, NET

Furniture and equipment, net consisted of the following at December 31, 2022 and 2021:

	December 31, 2022	December 31, 2021
Computer equipment and software	$ 33,417	$ 33,417
Office furniture and equipment	11,099	11,099
Subtotal	44,516	44,516
Less: accumulated depreciation	(44,516)	(43,106)
Furniture and equipment, net	$ -	$ 1,410

Depreciation expense was $1,410 and $1,995 for the years ended December 31, 2022 and 2021, respectively.

NOTE 7 – GOODWILL AND INTANGIBLE ASSETS, NET

As of December 31, 2022 and 2021, the Company had a total of $275,000 in intangible assets, of which $250,000 represents the value of the license for the source code which is being used as the foundation of the Location Based Service Offering source code of the Company, and $25,000 represents the trademarks, customer lists and licenses from the Konnect acquisition.

NOTE 8 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

Accounts payable and accrued expenses consisted of the following at December 31, 2022 and 2021:

		December 31, 2022		December 31, 2021
Accounts payable	$	1,154,948	$	1,259,760
Accrued expenses		1,380,790		1,060,931
Accrued compensation		1,280,472		1,226,587
Accrued interest		321,847		287,170
Total	$	4,138,057	$	3,834,448

NOTE 9 – NOTES PAYABLE

On May 20, 2010, the Company entered into a promissory note for $200,000 from a third party. The note was originally due on May 20, 2012 and bears compounded interest of 10%. Interest on the unpaid balance shall accrue and be paid with the principal upon demand for payment, which shall occur the earlier of: (1) the date the Company closes on a financing of $500,000 or (2) before May 20, 2012. The maturity date of the note has been extended by mutual agreement between the Company and the note holder to May 20, 2016.

On October 3, 2016, in accordance with a judgement issued, the terms of this note were restructured whereby $119,000 of the outstanding accrued interest was added to the original $200,000 principal balance, along with $3,770 in legal fees bringing the principal balance to $322,770. In accordance with the judgment, the interest rate now follows the Florida judgment interest rates, and from the date of judgment through December 31, 2018, the interest rates ranged from 4.84%-6.89%. As a result of this judgment, in 2016 the Company incurred a gain on extinguishment of debt of $41,118 in 2016. As of February 27, 2020, this note was paid off in full. For the years ended December 31, 2022 and 2021, interest expense on this note totaled $0 and $1,807, respectively. As of December 31, 2022 and 2021 accrued interest on this note was $42,678 and $42,678, respectively.

On December 3, 2012, the Company entered into a promissory note for $20,000 from a third party. The note was due on June 3, 2014 and bears simple interest of 8%. For each of the years ended December 31, 2021 and 2020, interest expense on this note totaled $1,600. As of December 31, 2022 and 2021 accrued interest on this note was $16,123 and $14,523, respectively. This note is currently in default.

On March 8, 2013, the Company entered into a promissory note for $20,000 from a third party. The note was due on August 8, 2014 and bears simple interest of 8%. For each of the years ended December 31, 2021 and 2020, interest expense on this note totaled $1,600. As of December 31, 2022 and 2021 accrued interest on this note was $15,706 and $14,106, respectively. This note is currently in default.

On December 3, 2020, the Company entered into a promissory note for $10,000 from a third party. The note is due on December 3, 2021, and bears simple interest of 4%. In the event of default, the interest will accrue at a rate equal to the lesser of 1½% per month, or the maximum rate allowed by law, compounded monthly, until paid. As of December 31, 2022 and 2021 accrued interest on this note was $3,398 and $1,598, respectively.

On December 24, 2020, the Company entered into a promissory note for $2,500 from a third party. The note is due on December 24, 2021, and bears simple interest of 4%. In the event of default, the interest will accrue at a rate equal to the lesser of 1½% per month, or the maximum rate allowed by law, compounded monthly, until paid. As of December 31, 2022 and 2021 accrued interest on this note was $824 and $374, respectively.

On December 30, 2020, the Company entered into a promissory note for $6,000 from a third party. The note is due on December 30, 2021, and bears simple interest of 4%. In the event of default, the interest will accrue at a rate equal to the lesser of 1½% per month, or the maximum rate allowed by law, compounded monthly, until paid. As of December 31, 2022 and 2021 accrued interest on this note was $1,959 and $879, respectively.

On March 18, 2021, the Company entered into a grid promissory note for $15,000 from a third party, with the possibility of further proceeds to the Company with the same terms. The note is due on March 18, 2022, and bears simple interest of 4%. In the event of default, the interest will accrue at a rate equal to the lesser of 1½% per month, or the maximum rate allowed by law, compounded monthly, until paid. As of December 31, 2022 and 2021 the principal balance of this note is $19,482 and $19,482 and the related accrued interest on this note was $6,231 and $2,724, respectively.

NOTE 10 – CONVERTIBLE NOTES PAYABLE

On January 26, 2010, the Company entered into a convertible promissory note for $50,000 from a third party. The note was due on July 26, 2011 and bears simple interest of 8%. The note and accrued interest is convertible into common stock of the Company at $0.001 per share. The principal amount of the note at December 31, 2022 and 2021 is $50,000, and the related accrued interest is $51,726 and $47,726, respectively. This note is currently in default.

On January 27, 2018, the Company entered into an acquisition agreement with Konnect Global, LLC ("Konnect"), whereby the Company acquired 100% of Konnect in exchange for a convertible promissory note for $250,000 issued by the Company. This convertible promissory note was due on January 16, 2019 and bears simple interest of 8%. This convertible promissory note contains a provision for conversion at the holder's option including accrued interest, into the Company's common stock at a rate of 80% of the average closing prices during the last ten trading day period, including the date of conversion. The principal amount of the note at December 31, 2022 and 2021 is $250,000, and the related accrued interest is $98,575 and $78,575, respectively. This note is currently in default.

As part of the acquisition of Konnect, the Company assumed a promissory note dated October 23, 2014 for $25,000 from a third party. The note was due on October 23, 2015 and bears simple interest of 8%, with a default rate of 18% per annum. This note was later amended and restated on January 16, 2018 with the same terms. This convertible promissory note contains a provision for conversion at the holder's option including accrued interest, into the Company's common stock at a rate of 30% of the average of the five lowest intraday prices during the last twenty trading day period, including the date of conversion. On February 1, 2021 the holder of this note converted $5,900 of the principal balance into 590,000 shares of the Company's common stock at a conversion rate of $0.01 per share. On June 30, 2022 the holder of this note converted $4,500 of the principal balance into 569,620 shares of the Company's common stock at a conversion rate of $0.0079 per share. The principal amount of the note at December 31, 2022 and 2021 was $59,600 and $64,100, and the accrued interest on this note was $30,605 and $19,476, respectively. This note is currently in default.

As part of the acquisition of Konnect, the Company assumed a convertible promissory note dated February 13, 2015, for $15,515 from a third party. The note was due on February 13, 2016 and bears simple interest of 8%, with a default rate of 18% per annum. This note was later amended and restated on January 16, 2018 with the same terms. This convertible promissory note contains a provision for conversion at the holder's option including accrued interest, into the Company's common stock at a rate of 30% of the average of the five lowest intraday price during the last twenty trading day period, including the date of conversion. The principal amount of the note at December 31, 2022 and 2021 is $15,515, and the related accrued interest is $11,052 and $8,260, respectively. This note is currently in default.

As part of the acquisition of Konnect, the Company assumed two convertible promissory notes dated September 16, 2016 and December 28, 2017, for $10,000 and $19,000, respectively, from a third party. On January 30, 2018 the Company entered into a grid convertible promissory note for $15,000 from the same third party. On March 10, 2020, the Company entered into an amended and restated grid convertible promissory note with the holder of the original notes for $74,000 bearing interest at 8% per annum, with a default interest rate of 18%. This convertible promissory note contains a provision for conversion at the holder's option including accrued interest, into the Company's common stock at a rate of 50% of the average volume weighted average price ("VWAP") during the last fifteen trading day period, including the date of conversion. The principal amount of the notes at December 31, 2022 and 2021 is $63,302 and $63,302, and the related accrued interest is $38,997 and $27,602, respectively. This note is currently in default.

As part of the acquisition of Konnect, the Company assumed a convertible promissory note dated September 22, 2016, for $8,000 from a third party. The note was due on September 22, 2017 and bears simple interest of 8%. This convertible promissory note contains a provision for conversion at the holder's option including accrued interest, into the Company's common stock at a rate of 70% of the trading price on the date of conversion. The principal amount of the note at December 31, 2022 and 2021 is $8,000, and the related accrued interest is $4,017 and $3,377, respectively. This note is currently in default.

As part of the acquisition of Konnect, the Company assumed a convertible promissory note dated December 16, 2016, for $10,000 from a third party. The note was due on December 16, 2017 and bears simple interest of 8%. This convertible promissory note contains a provision for conversion at the holder's option including accrued interest, into the Company's common stock at a rate of 70% of the trading price on the date of conversion. The principal amount of the note at December 31, 2022 and 2021 is $10,000, and the related accrued interest is $4,835 and $4,035, respectively. This note is currently in default.

On February 17, 2020 the Company entered into a convertible promissory note for $5,000, due on February 28, 2022, bearing interest at 8% per annum, with a default interest rate of 18%. This convertible promissory note contains a provision for conversion at the holder's option including accrued interest, into the Company's common stock at a rate of 50% of the average VWAP during the last fifteen trading day period, including the date of conversion. The principal amount of the note at December 31, 2022 and 2021 is $5,000, and the related accrued interest is $2,461 and $1,561, respectively.

On February 26, 2020 the Company entered into a convertible promissory note for $5,000, due on February 28, 2022, bearing interest at 8% per annum, with a default interest rate of 18%. This convertible promissory note contains a provision for conversion at the holder's option including accrued interest, into the Company's common stock at a rate of 70% of the average VWAP during the last fifteen trading day period, including the date of conversion. The principal amount of the note at December 31, 2022 and 2021 is $5,000, and the related accrued interest is $2,439 and $1,539, respectively.

On March 2, 2020 the Company entered into a convertible promissory note for $10,000, due on March 2, 2022, bearing interest at 8% per annum, with a default interest rate of 18%. This convertible promissory note contains a provision for conversion at the holder's option including accrued interest, into the Company's common stock at a rate of 70% of the average VWAP during the last fifteen trading day period, including the date of conversion. The principal amount of the note at December 31, 2022 and 2021 is $10,000, and the related accrued interest is $1,714 and $1,714, respectively.

On February 21, 2020 and March 6, 2020 the Company entered into a convertible promissory note for $5,000 each, due on February 21, 2022 and March 6, 2022, respectively, bearing interest at 8% per annum, with a default interest rate of 18%. These convertible promissory notes contain a provision for conversion at the holder's option including accrued interest, into the Company's common stock at a rate of 70% of the average VWAP during the last fifteen trading day period, including the date of conversion. On September 20, 2021 the holder of this note elected to convert $10,000 in principal into 770,713 shares of common stock at a share price of $0.013. The principal amount of the notes at December 31, 2022 and 2021 is $10,000 and $10,000, and the related accrued interest is $4,028 and $2,228, respectively.

On February 20, 2020 and April 16, 2020 the Company entered into a convertible promissory note for $10,000 each, due on February 20, 2022 and April 16, 2022, respectively, bearing interest at 8% per annum, with a default interest rate of 18%. These convertible promissory notes contain a provision for conversion at the holder's option including accrued interest, into the Company's common stock at a rate of 70% of the average VWAP during the last fifteen trading day period, including the date of conversion. On September 20, 2021 the holder of this note elected to convert $10,000 in principal into 1,335,113 shares of common stock at a share price of $0.007. The principal amount of the notes at December 31, 2022 and 2021 is $10,000 and $10,000, and the related accrued interest is $5,413 and $3,859, respectively.

On July 1, 2020, the Company entered into a grid convertible promissory note for up to $100,000 from a third party. The note is due on December 31, 2021, and bears simple interest of 10%. This convertible promissory note contains a provision for conversion at the holder's option including accrued interest, into the Company's common stock at a rate of 50% of the average of the five lowest intraday trading prices during the last twenty trading day period, including the date of conversion. The principal amount of the note at December 31, 2022 and 2021 is $73,430 and $73,430, and the related accrued interest is $21,743 and $10,337, respectively.

NOTE 11 – DEBT SETTLEMENT

On October 31, 2016, the Company and DK entered into a Settlement Agreement that restructured the amounts due to DK. As part of the Settlement Agreement, Fusion assumed 50% of the total debt outstanding, or $800,000, in exchange for Fusion to enter into a licensing agreement for the PhoneFusion Platform. Fusion has agreed to pay DK $7,500 per month in its common stock until such time that DK has realized $400,000 in proceeds from the sale of the common stock received. Once Fusion makes $400,000 in stock payments to DK, and is not in default of the Settlement Agreement, then DK shall forgive the remainder of the debt that is due and owing.

PhoneFusion will be responsible for the payment of the $800,000 due and owing to DK. PhoneFusion paid $75,000 to DK on closing and will pay DK $5,000 per month beginning March 1, 2017. Once PhoneFusion makes $325,000 in additional payments to DK, and is not in default of the Settlement Agreement, then DK shall forgive the remainder of the debt that is due and owing. As of December 31, 2022 and 2021 the total outstanding balance of this debt settlement was $1,192,500 and $1,222,500, respectively, of which $60,000 is presented as the current portion of debt settlement on the consolidated balance sheets.

NOTE 12 – DERIVATIVE LIABILITY

The Company adheres to the standards under ASC 815 which defines determining whether an instrument (or embedded feature) is solely indexed to an entity's own stock. The conversion price of the Series B Preferred Stock is variable and subject to the fair value of the Company's common stock on the date of exercise. As a result, the Company has determined that the conversion feature is not considered to be solely indexed to the Company's own stock and is therefore not afforded equity treatment. In accordance with ASC 815, the Company has bifurcated the conversion feature of the instruments to be recorded as a derivative liability.

ASC 815 requires Company management to assess the fair market value of derivatives at each reporting period and recognize any change in the fair market value as items of other income or expense. The Company's only asset or liability measured at fair value on a recurring basis is its derivative liability associated with the Series B Preferred Stock.

At origination and subsequent revaluations, the Company valued the derivative liability using the Black-Scholes options pricing model under the following assumptions:

	December 31, 2022
Risk-free interest rate	0.09% – 4.73%
Expected options life (in years)	1.01 – 4.75
Expected dividend yield	-
Expected price volatility	87% – 579%

During the year ended December 31, 2022, the Company's derivative liability was $352,570 and recognized a gain on derivative liability of $488,215 in conjunction with revaluations of existing derivative liabilities.

During the year ended December 31, 2021, the Company's derivative liability was $840,785 and recognized a loss on derivative liability of $365,137 in conjunction with revaluations of existing derivative liabilities.

NOTE 13 – RELATED PARTY TRANSACTIONS

In addition to the related party loans receivable, the Company occupies approximately 3,200 rentable square feet and pays monthly rent in the amount of $3,851. This amount is the equivalent of approximately $15 per square foot per year which is on par with the real estate market place in the surrounding area for comparable premises. The property is owned by an officer and the term of the lease is for 36 months ending July 31, 2016. Effective July 31, 2016, this lease has been renewed on a year to year basis.

As of December 31, 2022 and 2021, the Company advanced $96,738 and $126,785, respectively, to two officers and a business that is related to an officer of the Company.

NOTE 14 – INCOME TAXES

Net deferred tax assets consist of the following components:

	December 31, 2022	December 31, 2021
Deferred tax asset:		
Net operating loss carryforwards	$ (3,151,683)	$ (3,224,259)
Valuation allowance	3,151,683	3,224,259
Net deferred tax asset	$ -	$ -

The income tax provision differs from the amount of income tax determined by applying the U.S. federal and state income statutory tax rates to pretax income (loss) from continuing operations as follows:

	December 31, 2022	December 31, 2021
Tax (benefit) provision at statutory rates	$ (48,490)	$ (189,184)
Change in valuation allowance	48,490	189,184
Net provision for income taxes	$ -	$ -

The Company has accumulated net operating loss carryovers of approximately $15,000,000 as of December 31, 2022 which are available to reduce future taxable income. Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carry forwards for federal income tax reporting purposes may be subject to annual limitations. A change in ownership may limit the utilization of the net operating loss carry forwards in future years. The tax losses begin to expire in 2038.

In accordance with generally accepted accounting principles, the Company has analyzed its filing positions in all jurisdictions where it is required to file income tax returns for the open tax years in such jurisdictions. The Company has identified its federal income tax returns for the previous five years remain subject to examination. The Company's income tax returns in state income tax jurisdictions also remain subject to examination for the previous five years. The Company currently believes that all significant filing positions are highly certain and that all of its significant income tax filing positions and deductions would be sustained upon audit. Therefore, the Company has no significant reserves for uncertain tax positions, and no adjustments to such reserves were required by generally accepted accounting principles. No interest or penalties have been levied against the Company and none are anticipated, therefore no interest or penalty has been included in the provision for income taxes in the consolidated statements of operations.

NOTE 15 – STOCKHOLDERS' DEFICIT

The Company's authorized capital stock consists of 750,000,000 shares of common stock, $0.001 par value per share, and 15,000,000 shares of preferred stock, par value $0.001 per share. As of December 31, 2022 and 2021, there were 17,384,895 and 16,815,275 shares of common stock issued and outstanding, 6,750,000 of Series A Convertible Preferred Stock issued and outstanding, and 30,000 of Series B Convertible Preferred Stock issued and outstanding.

Preferred Stock

Our board of directors has the authority, without stockholder approval, to issue up to 15,000,000 shares of preferred stock, $0.001 par value, of which 10,000,000 shares are designated as Series A Convertible Preferred Stock and 30,000 shares are designated as Series B Convertible Preferred Stock. The authorized preferred stock may be issued by the Board of Directors in one or more series and with the rights, privileges and limitations of the preferred stock determined by the Board of Directors. The rights, preferences, powers and limitations on different series of preferred stock may differ with respect to dividend rates, amounts payable on liquidation, voting rights, conversion rights, redemption provisions, sinking fund provisions, and other matters.

Series A Convertible Preferred Stock

The Company is authorized to issue 10,000,000 shares of Series A Convertible Preferred Stock with a stated value of $1.00 and a par value of $0.001. The terms of the Series A Convertible Preferred Stock are as follows:

(i) Dividends – At issuance, there are no dividends due or payable on the Series A Convertible Preferred Stock. Any future terms with respect to dividends shall be determined by Board, consistent with the Company's certificate of incorporation.

(ii) Liquidation and Redemption Rights – In the event of any liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, the holder of Series A Convertible Preferred Stock is entitled to receive assets of the Company, before the holders of Series B Preferred Stock or Common Stock. The Series A Convertible Preferred shall have first priority or preference with respect to any distribution of any Company assets.

(iii) Rank – All shares of the Series A Convertible Preferred Stock rank:

a. Senior to the Company's common stock and any other class or series of capital stock of the Company subsequently created,

(iv) Voting – The holder of Series A Convertible Preferred Stock shall not be entitled to vote

(v) Conversion – All shares of Series A Convertible Preferred Stock are convertible into shares of Common Stock at a share price of $1.00 per share.

Series B Convertible Preferred Stock

The Company is authorized to issue 30,000 shares of Series B Convertible Preferred Stock with a stated value of $1.00 and a par value of $0.001. The terms of the Series B Convertible Preferred Stock are as follows:

(i) Dividends – At issuance, there are no dividends due or payable on the Series B Convertible Preferred Stock. Any future terms with respect to dividends shall be determined by Board, consistent with the Company's certificate of incorporation.

(ii) Liquidation and Redemption Rights – In the event of any liquidation, dissolution or winding up of the affairs of the Company, whether voluntary or involuntary, the holder of Series B Convertible Preferred Stock shall automatically have their shares converted into Common Stock at the applicable conversion rate.

(iii) Rank – All shares of the Series B Preferred Stock rank:

a. Senior to the Company's common stock and any other class or series of capital stock of the Company subsequently created,

b. Junior to the Series A Preferred Stock

(iv) Voting – The holder of Series B Convertible Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of Series B Convertible Preferred Stock held by such holder are convertible as of the record date for determining shareholders entitled to vote on such matter.

(v) Conversion – Each share of Series B Convertible Preferred Stock is convertible into shares of Common Stock at a share rate equal to 0.1% of the total number of shares of Common Stock outstanding at the date of conversion.

Common Stock

On February 1, 2021 a third party converted $5,900 of the principal balance of their convertible note payable issued on January 16, 2018 into 590,000 shares of the Company's common stock at a conversion rate of $0.01 per share.

On September 20, 2021 a holder of a $10,000 convertible note converted the full principal amount of the note into 770,713 shares of the Company's common stock at a rate of $0.013 per share.

On September 20, 2021 a holder of a $10,000 convertible note converted the full principal amount of the note into 1,335,113 shares of the Company's common stock at a rate of $0.007 per share.

On September 20, 2021 a holder of a $14,950 convertible note converted the full principal amount of the note into 1,000,000 shares of the Company's common stock at a rate of $0.007 per share.

On September 20, 2021 the Company issued 1,114,119 shares of its common stock to a third party for $10,000 cash.

On June 30, 2022 a third party converted $4,500 of the principal balance of their convertible note payable issued on January 16, 2018 into 569,620 shares of the Company's common stock at a conversion rate of $0.0079 per share.

NOTE 16 – COMMITMENTS AND CONTINGENCIES

Commencing August 1, 2013, The Company leased its office facilities from an officer of the Company under a three year operating lease agreement expiring July 31, 2016. Effective July 31, 2016, this lease has been renewed on a year to year basis.

The Company evaluates contingencies on an ongoing basis and is not currently a party to any legal proceeding that management believes could have a material adverse effect on our results of operations.

NOTE 17 – SUBSEQUENT EVENTS

Management has evaluated all transactions and events after the balance sheet date through the date on which these financials were available to be issued and has determined that no additional disclosures are required.