

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Novus Acquisition & Development Corp.



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Miami FL 33131

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SIC Code 524114

Interim Report

**For the period ending June 30 2023
(the "Reporting Period")**

Outstanding Shares

The number of shares outstanding of our Common Stock was:

107,803,624 as of June 30, 2023

107,803,624 as of March 31, 2023

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 of the company has occurred over this reporting period:

Yes: ☐ No: ☒

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

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

The name of the issuer from 2006 to 2009 was known as BrandQuest Development Group, Inc. and in May of 2009 the name changed to Novus Acquisition & Development Corp, a Nevada Corp

- Nevada Division Of Corporations Entity Number: C22747-1996
- California Insurance Licensing: Click Here: [OK41569](#)

The state of incorporation or registration of the issuer and 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):

- No new beneficial owners
- Domiciled Nevada Division of Corporations Entity Number: C22747-1996

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:

2665 South Bayshore Drive
#220
Miami FL 33131

The address(es) of the issuer's principal place of business:

x 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
Phone: 732-872-2727
Email: matt@oldemonmouth.com
Address: 200 Memorial Parkway, Atlantic Highlands NJ 07716

Publicly Quoted or Traded Securities:

Trading symbol:	NDEV
Exact title and class of securities outstanding:	Common
CUSIP:	67011R20
Par or stated value:	\$.001
Total shares authorized:	200,000,000 as of date: June 30, 2023
Total shares outstanding:	107,803,624 as of date: June 30, 2023
Total number of shareholders of record:	2097 as of date: June 30, 2023

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

Trading symbol:	NDEV
Exact title and class of securities outstanding:	Series A
CUSIP:	67011R205
Par or stated value:	\$.001
Total shares authorized:	6,600 as of date: January 1, 2015
Total shares outstanding:	6,600 as of date: June 30, 2023
Total number of shareholders of record:	1 as of date: June 30, 2023

Other classes of authorized or outstanding equity securities:

Exact title and class of the security:	Series B Dividend Shares
CUSIP (if applicable):	None and no symbol
Par or stated value:	\$.001
Total shares authorized:	10,000,000 as of date: January 1, 2015
Total shares outstanding (if applicable):	0 as of date: June 30, 2023
Total number of shareholders of record	0 as of date: June 30, 2023

Exact title and class of the security:	Series C Convertible Preferred
CUSIP (if applicable):	None and no symbol
Par or stated value:	\$.001
Total shares authorized:	10,000,000 as of date: January 1, 2015
Total shares outstanding (if applicable):	0 as of date: June 30, 2023
Total number of shareholders of record	0 as of date: June 30, 2023

Exact title and class of the security:	Series D
CUSIP (if applicable):	None and no symbol
Par or stated value:	\$.001
Total shares authorized:	100,000,000 as of date: January 1, 2015
Total shares outstanding (if applicable):	0 as of date: June 30, 2023
Total number of shareholders of record	0 as of date: June 30, 2023

Security Description:

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

Common Shares:

Holds no dividends any dividends are given to Series B shares. Shareholders also have the right to vote on material events that directly affect their stock ownership. Stockholders receive one vote per share. Shareholders can exercise their voting rights in person at the corporation's annual general meeting or other special meeting convened for voting purposes, or by proxy. As of the date of this report, there are no shareholder preemption rights.

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

b. Series A Preferred Stock is issued and outstanding, then the total aggregate issued shares of Series A Preferred Stock at any given time, regardless of their number, shall have voting rights equal to 66% of the total number of shares of Common Stock, plus the total number of shares of all other series of stock, issued and outstanding at the time of any vote of shareholders.

All 6,600 of Series A Preferred Stock shall have voting rights equal to 66% of the number of shares of Common Stock, plus the total number of shares of all other series of Stock, issued and outstanding at the time of any vote of shareholders, divided by the number of shares of Series A Preferred Stock which are issued and outstanding at the time of the vote. **Note: No Stock Symbol For Series A**

c. Series B Dividend Shares- authorized 100 million shares of this convertible preferred with a redemption rate of 1:2 into common. The price point is \$1.00 per share; two preferred shares for every common share. None are issued. **Note: No Stock Symbol For Series B**

d. Series C Convertible Preferred Shares - Authorized 10 million shares and carry at the stated conversion of \$5.00 per share and is 1:1 conversion into common.

Reclassification issues will not be granted in the event of dilution that equates to a higher net asset value. None are issued. None are issued. **Note: No Stock Symbol For Series C**

e. Series D Shares- This class of stock was established to be traded on foreign exchanges such as the Nikkei and the Dax. By June 30, 2009, the Company had not yet obtained authorization to trade on any foreign exchanges. The total authorized number of Series D shares is 100,000,000. None are issued. **Note: No Stock Symbol For Series D**

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

None

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

None

3) Issuance History

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: X (If yes, you must complete the table below)

(Rest of the page is left blank)

Number of Shares outstanding as of 1-Jan-17	Opening Balance: Common: 94,453,624 Preferred: 6,600								
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	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	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
4/5/2017	New Issuance	500,000	Common	\$0.001	No	*Tysadco Partners LLC. - Robert Delvecchio	Consulting Contract	Restricted	N/A
7/26/2017	New Issuance	750,000	Common	\$0.001	No	*Ralph Hiller	Direct Investment	Restricted	N/A
11/20/2017	New Issuance	500,000	Common	\$0.001	No	*Tysadco Partners LLC. - Robert Delvecchio	Consulting Contract	Restricted	N/A
11/20/2017	New Issuance	1,000,000	Common	\$0.001	No	*Tysadco Partners LLC. - Robert Delvecchio	Consulting Contract	Restricted	N/A
11/22/2017	New Issuance	30,000	Common	\$0.001	No	Olde Monmouth	Transfer Agent Service Fees	Restricted	N/A
2/20/2018	New Issuance	120,000	Common	\$0.001	No	*Denise Belle	Consulting Contract	Restricted	N/A
4/19/2018	New Issuance	500,000	Common	\$0.001	No	*Tysadco Partners LLC. - Robert Delvecchio	Consulting Contract	Restricted	N/A
6/17/2019	New Issuance	480,000	Common	\$0.001	No	*Denise Salinas	Third Party Admin Contract	Restricted	N/A
6/17/2019	New Issuance	120,000	Common	\$0.001	No	*MEC Consulting, Inc. Mark Crone Esq.	Legal Representation Contract	Restricted	N/A
6/17/2019	New Issuance	2,000,000	Common	\$0.001	No	*Frank Labrozzi	Consulting Contract	Restricted	N/A
6/17/2019	New Issuance	500,000	Common	\$0.001	No	*Tysadco Partners LLC. - Robert Delvecchio	Consulting Contract	Restricted	N/A
7/11/2019	New Issuance	500,000	Common	\$0.001	No	*Tysadco Partners LLC. - Robert Delvecchio	Consulting Contract	Restricted	N/A
6/29/2020	New Issuance	500,000	Common	\$0.001	No	*Tysadco Partners LLC. - Robert Delvecchio	Consulting Contract	Restricted	N/A
3/15/2021	New Issuance	4,000,000	Common	\$0.001	No	Gary F. Labrozzi CEO	Employment Contract 2 years	Restricted	N/A
3/15/2021	New Issuance	100,000	Common	\$0.001	No	Health Insurance Solutions	Bonus Incentive to Commission	Restricted	N/A
3/15/2021	New Issuance	500,000	Common	\$0.001	No	*Tysadco Partners LLC. - Robert Delvecchio	Consulting Contract	Restricted	N/A
3/15/2021	New Issuance	750,000	Common	\$0.001	No	Mark Kuban	Employment Contract	Restricted	N/A
6/15/2021	New Issuance	500,000	Common	\$0.001	No	*Tysadco Partners LLC. - Robert Delvecchio	Consulting Contract	Restricted	N/A
Shares Outstanding on 6/30/2023	Ending Balance: Common: 107,803,624 Preferred: 6,600								

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 June 30, 2023, pursuant to the tabular format above.

Note: The chart indicates shares are subject to a Leak-Out Agreement contractually by the third-party vendors who received stock in lieu of cash payment. The leak out of securities restricts the third-party vendor/shareholder to 5%-15% of the average daily trading volume of the Company's common stock for the last 30 days.

A. 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: x (If yes, you must complete the table below)

Date of Note Issuance	Outstanding Balance (\$)	Principal	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.)
06-2015	152,697	90,000	62,697	None	None	Frank Labrozzi CEO	Operational Capital

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

Footnote: The CEO Frank Labrozzi has no call provision or maturity date of repayment of funds.

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")

Introduction

Since 2015, Novus has built its legal cannabis health insurance infrastructure with a national dispensary network for its HMO insurance business model. Currently active in the United States and approved in Canada the medical and recreational cannabis markets in both countries have a combined projected revenue of \$35 billion in sales by 2023.

Through its wholly-owned subsidiary WCIG Insurance Service, Inc. (WCIG) a California insurance entity. The Company offers actuarial plans that can render risk and non-risk insurance coverage models in:

- a) Selling health policies **nationwide** in CBD concentrate,
- b) Traditional benefit plans such as dental vision, hearing, and telemedicine, sold nationally and;
- c) Sell **THC** health plans in the following states

Colorado	California	New York	Massachusetts
Florida	Vermont	Ohio	Illinois
Maryland	Wash DC	Pennsylvania	Maine
Oklahoma	New Mexico	Nevada	Nebraska
Hawaii	Michigan	Arizona	Oregon

Novus Business Model

Novus' business model provides a value proposition in three ways:

- i. **Benefit to Shareholders:** Novus' business model is based on owning receivables (insurance policies) rather than depreciative assets such as hard inventory, manufacturing, delivery vehicles, and warehousing all can weigh heavy on a company's intrinsic value. Additionally, insurance companies benefit from the highest values traded on Wall Street, known as **Benefit Monetization Ratio**. Measuring PE by the total number of policies, monetized annually, computed as Net Asset Value with an estimated 20 times ratio.
- ii. **Value to Policyholders:** For recreational and medicinal cannabis users who purchase \$100 or more per month in cannabis meds qualify for the Novus Cannabis MedPlan. Novus patient members are spending on average \$300 per month with a 30% to 45% discount, giving patients a gross saving of \$1,800 and as much as \$2,338 per year. In addition, employees can get their policy premiums covered in Employer-Sponsored Health Plans and through Health Reimbursement Accounts.
- iii. **Value to Cannabis Dispensaries:** Novus supports dispensaries/verticals, at no cost, improves their foot traffic, reimbursements, and free advertising
The HMO commerce model compliantly corrals and drives the consumer to participating brands and facilities by tapping into a 5-meter geo-fence versus Google's quarter-mile geo-fence. Giving us the competitive advantage to target consumers in their buying behavior by delivering advertisements as they enter nonparticipating dispensaries. Then, maintain the audience's attention with a retargeting strategy in many devices and formats.

Benefiting From The Latest Regulations

Changes in the regulatory landscape were quite fortunate with key factors in shaping the cannabis health plan marketplace.

- i. The **Compassionate Care Act**: Employees are protected from termination for using medical cannabis, which leads the way for employer-sponsored health plans that cover medical cannabis under their offerings.
- ii. **The Veterans Cannabis Use for Safe Healing Act**: Prohibits the Department of Veterans Affairs (VA) from denying VA benefits to 19 million veterans that participate in a state-approved cannabis program(s).

- iii. **Opioid Settlement Framework:** Many State Attorney Generals settled on \$45 billion in compensatory damages, rehabilitation, and opioid diversion programs. Novus proposes the use of its Cannabis MedPlan as a compelling option to comply with the settlement diversion programs.
- iv. **Taxation:** Legislative reform will create higher taxes on recreational cannabis. In California, many recreational consumers are converting to medicinal users, taking advantage of 50% tax breaks along with significant discounts that Novus Cannabis MedPlan offers.
- v. **Credit Cards and Safe Banking Act:** Novus has established a relationship with Authorize.net, a leading credit card processing platform. Novus' workaround strategy was that we don't touch or sell the plant, we provide insurance benefits to policyholders, and this appears to be satisfactory. Therefore, its business model is not directly affected by the Safe Banking Act.
- vi. **California SB1186 Medicinal Patients' Right of Access:** State bill SB 1186 will help to dramatically expand safe access to medical cannabis throughout the state. Once passed this will dramatically increase the Novus provider network from dispensaries to doctor's offices, urgent care facilities, hospitals, and managed healthcare. Just like the Employee Compassionate Care Act, there will be states following suit on similar legislation.
- vii. **Providers:** Many cultivators are adopting selling direct-to-consumer and are using delivery platforms to sell their products regionally, opening up a new segment in our provider network. One of Novus' providers [Budee](#), has one such platform that covers the entire state of California with four distribution centers and 800 deliveries per day. This gives Novus the ability to consolidate its provider network where policyholders can order from the digital platforms of their choice and get their product(s) within an hour.
- viii. **Worker's Comp:** Novus solved this problem by implementing a cannabis medical plan as a diversion to overprescribing opioids, complying with Opioid Settlement Framework.
- ix. **ObamaCare/ACA:** As it stands many of the larger insurance companies, Aetna and Humana for example, are opting out of ObamaCare/ACA, leaving millions of Americans without health insurance. This also includes many Americans currently opting out of ObamaCare/ACA, for reasons of higher premiums, deductibles, and pharmaceutical coverages. Whatever future healthcare package(s) that is passed by the Federal Government won't matter, Novus will continue to design its plans to fill the gaps and seek the inefficiencies and benefit from the country's current healthcare deficiencies.

Future Of Cannabis and the Federal Government: As a result of ballot initiatives, most states now recognize cannabis as a self-administered supplement medicine, and one in five Americans lives in a state that consents to cannabis consumption by its residence with a doctor's note. Investors should take note: With the Biden Administration, it is unlikely that they will dismantle the state regulations on cannabis and there's a great probability that within the next year, there will be full Federal legalization.

The reason is: for the states that just legalized it the Biden administration would have a monumental cost fighting this cause state by state, leaving fewer federal funds for issues that matter to the American public, not to mention the over 500,000 job losses of products made in America by Americans.

ALLIANCES

Alignment With Carriers and Third-Party Administrators

Since its inception, Novus effortlessly endeavored to gain the interest of Third-Party Administrators that managed employee benefits for major carriers. Then a series of breakthroughs occurred. Carriers use our cannabis benefit packages as an enticement to procure new customers and as a mechanism to upsell to current members, emerges boosting Novus from being a Discount Medical Plan to a network of designated healthcare providers with the premier level of full coverage.

Adoption of Embedded Insurance:

In the past 10 years, the number of cannabis users grew by almost [20 million](#), making an estimated 12% of Americans consume cannabis, and each consumer has their personality traits. Prompting management to adapt to its marketing and sales arsenal, Embedded Insurance.

This is a form of digital bundling, enabling retailers from nearly any industry to offer insurance policies as an add-on or feature as part of online or in-store checkout. This is a self-sustaining **Insurance Ecosystem Solution** through a **business-to-business-to-consumer** insurance partnership between Novus and retailers. For example, an airline might present travel insurance just as a consumer is booking plane tickets.

A study by [Accenture](#) found that “customers are increasingly willing to consider insurance purchases while shopping for other needs. The study concluded that 60% of consumers want to buy more from brands they trust and love the convenience of embedded experiences.

Retail brands that tap into the market by offering Embedded Insurance gain a huge opportunity to build significant new recurring revenue streams and deepen their relationships with their existing customers. Aligning with the right partners, Embedded Insurance can quickly realize revenue from an insurance offering, and innovative ways to distribute our benefit packages.

Adoption of Online Pharmacy:

It's been six years of building an infrastructure of a Provider Network of cannabis verticals that integrates cannabis in our health plans, and we find ourselves on the precipice of re-scheduling cannabis under federal law.

Management has set its plans for the future in giving cannabis policyholders more healthcare options for their cannabis benefits. Novus will offer prescription medication through an online pharmacy platform with a Canadian developer known as [Plitio](#).

Health Carrier and Wholesale Contracts:

Below are carriers of health plans and wholesales that are integrating Novus Cannabis MedPlan into their health plan offering

- a. [PRAM](#): Begins a market rollout to their subscriber base. PRAM focuses on proprietary prescription drug benefits PRAM identifies a unique need for pharmacy cost containment in the marketplace. They have a sizeable client base in the group markets, proprietary health plans, and a distribution base with carriers.
- b. [Healthfield Solutions, LLC](#): Novus executed an MGA Agreement that will train its arsenal of 2,600 agents, that will sell Novus policies, embed and sell them to their 250,000-client base.
- c. [Compass Health](#): This insurance agent platform offers customized ready-to-buy personalized plans designed for agent access to customized policies. Their portal can pair Novus Cannabis MedPlan with full coverage and as standalone policies.

- d. **Unique Insurance Concepts UIC:** A consortia of health insurance agents that focus on group policies, Medicare supplements dental and critical illness with over 5,000 corporate clients.
- e. **Go Enroll / Elevate Wellness:** One of the nation's top InsureTech platforms targeted for large groups with over 9,200 clients. This platform allows employees to integrate cannabis with Dental, Vision, GAP, and Medical Plans. The Elevate Wellness Plans cover over 4,500 employers where their employees are allowed to choose alternative treatment options that may not be available through their traditional healthcare providers.
- f. **Oneshare:** A medical cost-sharing provider with an ACA-exempt path to healthcare. Its health-based sharing membership plan focuses on Catastrophic Plans and Complete Health.
- g. **Essential Benefits: Minimal Essential Care** (MEC) is a plan that meets the Affordable Care Act requirement for getting health coverage. Some of these programs under MEC include marketplace plans, job-based plans, Medicare, and Medicaid. Mainly focused on covering routine preventative illness plans.
- h. **Wellness 360:** This is an employee-based wellness platform that offers plans, program guides, online educational resources, a white-label wellness program, and many other customizable options for workplace wellness.
- i. **Back 9 Insurance:** This is an InsureTech platform that sells annuities, life, long-term care, disability, and annuities. Their platform makes it easy for agents to display side-by-side comparisons with over 50 carriers and offer Novus' plans as a cross-sell.
- j. **National Life:** Contracted through Novus provider Compass Health this is one of the oldest life insurance carriers in the country.

Management Discussion and Analysis

Strategy and Outlook

Our overall strategy of integrating cannabis into health insurance plans has been accomplished. Now our focus is to continuously drive market share throughout the United States to build sustainable, long-term shareholder value.

To ensure this, we continue to focus on growth opportunities with the advent of new regulatory factors that are currently favoring the Company. Changes in the regulatory landscape are key factors that Novus is experiencing that will accelerate growth.

The unique characteristics of our business model are based on the popularity of cannabis being a benefits package to health plans. According to [Forbes](#) ***"By 2025, 5.4 million Americans, or 2.4% of U.S. adults, will be registered patients in medical cannabis states."*** However, what has not been considered is the rising prices and added federal taxation on recreational products.

To abate tax increases for medicinal and recreational consumers by applying cannabis benefits to their health plans. These benefits will make it affordable with 30%-35% discounts on cannabis purchases combined with a 15%-17% reduction of taxes at the point of sale.

Employer-Sponsored Health Plans

As Novus comes out from under the COVID crisis we're experiencing a breakthrough development in our effort to penetrate ["Group Sales"](#) in the small to midsize businesses (SMB) market. As SMBs desire

to compete and expand, it is essential to attract and retain their talent pool with competitive health benefits, but affordability remains an issue as healthcare rises faster than inflation.

Forty-nine percent of the 150 million American workers get their health plans from their employer, incorporating cannabis into health plans is an extraordinary mechanism used as a compliant corralling tool. According to the [Bureau Of Labor Statistics](#), the top perks employees seek are employer-sponsored, health plans, and Health Savings Accounts (HSA). With State Supreme Court rulings supporting employees who legally use cannabis as permitted in the [Compassionate Use of Cannabis of Medical Marijuana Act](#) [1] ("Compassionate Use Act") cannot be fired. This has prompted HR departments to rewrite policies regarding cannabis which will be the newest metric that companies use to recruit and maintain quality employees. As employers shy away from zero tolerance to the freedom of non-discriminatory workplace rules and standards relating to cannabis use.

As we experience what is the embracing of cannabis in employer-sponsored health plans by health carriers, management anticipated that there will be competition. But conversely, we are experiencing contracts with many health carriers and aggregators that embed our plans with their benefits packages. Confirming our assessment that health carriers rather acquire market share as opposed to create it.

Provider Network

Expansion to our Provider network is a continuous effort to develop underserved markets even though it slowed due to COVID we still can cover over 20,000 U.S. zip codes. The most arduous undertaking in our business model and for any new competition is the procurement of reliable cannabis verticals, which we have had an early momentum as far back as 2015, which we believe leaves very little resources to potential rivals.

How Cannabis Companies Use Novus' Business Model to Boost Value

This year shareholders will build more pressure on the cannabis verticals to become profitable while faced with inventory buildup and/or pricing decreases. Novus' strategy for verticals is tailoring health plan designs from a pass-along rebate/discount on cannabis meds in the form known as "Usage-based Health Plans". Historically, health carriers offer members who can use these plans to keep cannabis meds affordable, at the same time maintaining higher volume and attractive profit margins for the Vertical.

This method is to implement an offer of a larger discount while also raising the list price of the cannabis, therefore keeping the net price level manageable making this value proposition more attractive to the average consumer.

More Cultivators /Manufacturing Are Becoming Providers

Many cultivators are adopting selling direct-to-consumer and are using delivery platforms to sell their products regionally, opening up a new segment in our provider network. One of Novus' providers [Budee](#), has one such platform that covers the entire state of California with four distribution centers and 800 deliveries per day. This gives Novus the ability to consolidate its provider network where policyholders can order and get their product(s) within an hour.

Conclusion

The changes in regulations have positively transformed the scope of our business model dramatically. Where there wasn't acceptance of Novus Cannabis MedPlan by health carriers a year ago we see total acceptance now. Mainly in seeing opportunities in Employer-Sponsored Health Plans, where employees see cannabis as an essential benefit as they come back to their work environment.

We unquestionably have a foremost head start with our developed infrastructure in our provider network that offers the best value for the cannabis consumer. The index of cannabis stocks has had an arduous journey not only for us but the entire industry. Despite the challenges, we will continue to grow, due to our [receivable-based business model](#) which creates limited overhead, and once the policyholder is procured and makes a premium payment it continuously contributes directly to the company's profits. Novus focuses on protecting its shareholders by not excessively issuing stock from treasury, and always

using our [mandatory leak-out provision](#) to third-party vendors that damage the stock price with irresponsible selling pressure in the market.

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

- i. WCIG Insurance Services Inc. (WCIG) is a California licensed insurance entity with Licensed Number: 0K41569. WCIG is a wholly-owned subsidiary
- ii. Novus QC, Inc. a Florida corp. that is the operational bank account for the company. Novus Qc, Inc is a wholly-owned subsidiary.

C. Describe the issuers' principal products or services.

Health insurance policies that include cannabis (THC and CBD) as supplemental and/or embedded plans for individual sales, Group Sales, and contracted alliances with health insurance carriers.

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.

1. The offices are located at 2665 South Bayshore Drive Suite 220 Miami FL 33131, the offices are leased for \$1,200 per annum. No other real property is owned by the corporation
2. WCIG Insurance Solutions, Inc. California domiciled insurance entity with reciprocity throughout the United States. WCIG wholly owned subsidiary purchased in 2017 for \$530,000

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 than 5% of any class of the issuer's 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
<u>Frank Labrozzi</u>	<u>Chairman/CEO</u>	<u>Miami, FL</u>	<u>51,900,000</u>	<u>Common</u>	<u>48.3%</u>	<u>Individual</u>
<u>Frank Labrozzi</u>	<u>Chairman/CEO</u>	<u>Miami, FL</u>	<u>6,600</u>	<u>Series A Preferred</u>	<u>100%</u>	<u>Individual</u>
<u>John McDonald</u>	<u>Individual</u>	<u>Dallas TX</u>	<u>9,576,535</u>	<u>Common</u>	<u>9%</u>	<u>Individual w/ Leak Out Provision</u>
<u>Andrea Lopez</u>	<u>Director</u>	<u>Phoenix AZ</u>	<u>2,000,000</u>	<u>Common</u>	<u>1.8%</u>	<u>Individual</u>

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: Robert Sonefield, Esq.
Address 1: 2500 Wilcrest Dr.
Address 2: Houston, TX 77042
Phone: 713-877-1547
Email: robert@sonefield.com

Accountant or Auditor

Name: Frank Labrozzi
Firm: Novus Acquisition & Development Corp.
Address 1: 2665 South Bayshore Dr.
Address 2: Miami, FL 33131
Phone: 855-228-7355
Email: frank@ndev.biz

Investor Relations

Name: Done In House
Firm: Novus Acquisition & Development Corp.
Address 1: 2665 South Bayshore Dr.
Address 2: Miami FL 33131
Phone: 855-228-7355
Email: info@getnovusnow.com

All other means of Investor Communication:

Twitter: https://twitter.com/Novus_Stock
Discord:
LinkedIn
Facebook: <https://www.facebook.com/MMJHealthPlan/>
[Other].

Other Service Providers

Provide the name of any other service provider(s) 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: None
Firm: None
Nature of Services: None
Address 1: None
Address 2: None
Phone: None
Email: None

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)¹:

Name: Frank Labrozzi
Title: CEO, CFO
Relationship to Issuer: CEO, CFO

Describe the qualifications of the person or persons who prepared the financial statements:

Frank Labrozzi has been preparing the Company's GAAP financial statement for seven years. His knowledge of accounting allows him to file statements with knowledge in the field of health insurance carriers, underscoring analytical skills, research, and the organization of data in written form.

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

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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, Frank Labrozzi certify that:

1. I have reviewed this Disclosure Statement for Nous Acquisition & Development Corp; Annual Report for the reporting period of June 30, 2023
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.

8/6/2023 [Date]

A handwritten signature in black ink, appearing to be "FL", written over a light blue horizontal line.

[CEO's Signature]

(Digital Signatures should appear as "/s/ Frank Labrozzi)



Principal Financial Officer:

I, Frank Labrozzi certify that:

1. I have reviewed this Disclosure Statement for Nous Acquisition & Development Corp; Interim Report for the reporting period of June 30, 2023
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.

8/6/2023 [Date]

A handwritten signature in black ink, appearing to be "FL", written over a light blue horizontal line.

[CFO's Signature]

(Digital Signatures should appear as "/s/ Frank Labrozzi)

Financial Highlights

Novus' Interim First Quarter of 2023, below shows the financial condition of the Company's business model.

- **No Dilution:** No common stock was issued since June 15, 2021.
- **No Sales of Insider Share:** For more than 2 years
- **Gross Revenue Increase:** Gross Revenue increased 11.8% compared to the three months ending June 30, 2023, and June 30, 2022, respectively
- **Net Revenue Increase:** Net Revenue increased by 17.34 % for the period ending June 30, 2023, and June 30, 2022, respectively
- **Profit Margin:** On June 30, 2023, the company demonstrated a 37% profit margin for the period ending June 30, 2023
- **Shareholder Equity Increase:** An increase to \$1,596,571 or 1.5% from \$1,571,612 for the period ending June 30, 2023, and December 31, 2022, respectively
- **Cash and Cash Equivalents Increase:** Increased to \$193,967 on June 30, 2023, or 3.8%, from \$186,668 from the period ending December 31, 2022,
- **No Convertible Notes:** No convertible notes issued or outstanding
- **Debt:** \$152,697 is owed to the CEO Frank Labrozzi, no plans on exercising any call provision or conversions at this time
- **Leak Out Vendor Shares:** All third-party vendors who received stock issued from treasury are subject to a contractually mandated leak out of securities which are 5%-15% of the average daily trading volume, computed over the last 30 trading days.

Consolidated Balance Sheet
June 30, 2023
(Unaudited)
Novus Acquisition & Development Corp

	30-Jun-23	31-Dec-22
<u>ASSETS</u>	\$	\$
Cash and cash equivalents	193,967	\$186,668
Investments	0	0
Total current assets		
Software Development	170,901	169,899
Insurance Contracts	393,952	374,651
Deferred Tax Loss Carried Forward	286,120	290,512
Insurance Assets	513,000	513,000
Goodwill	191,328	186,003
TOTAL ASSETS	1,749,268	1,720,733
<u>LIABILITIES AND EQUITY</u>		
Current liabilities:		
Note Due to Related Party	152,697	149,121
Deferred Credits and Other Noncurrent Liabilities		0
Total current liabilities	152,697	149,121
Stockholders' Deficit:		
Common Stock 200,000,000 shares authorized \$.001 par value shares did not increase from June 30, 2022 to December 31, 2022	107,803	107,803
Series A Preferred: \$.001 par value; 6,600 shares authorized; all shares issued and outstanding as of Dec 31, 2015 through December 31, 2021 respectively	660	660
Series B: Preferred dividend stock: \$.001 par value; 100,000,000 shares authorized; no shares issued	0	0
Series & D Preferred Shares: \$.001 par value; 100,000,000 shares authorized; no shares issued and	0	0
Total		
Additional paid-in capital	7,609,162	7,600,162
Accumulated Deficit	-6,012,591	-6,028,550
Total Equity	1,596,571	1,571,612
Total Liabilities and Equity	1,749,268	1,720,733
Earnings Per Share	\$0.0148	\$0.0146

Income Statement
June 30, 2023 (Unaudited)
Novus Acquisition & Development Corp

	<u>Three Months June 30</u>		<u>Six Months</u>	<u>June 30</u>
	2023	2022	2023	2022
	\$	\$	\$	\$
Revenues	84,451	74,986	167,983	147,711
G&A Expenses	18,119	16,311	35,944	32,313
Professional fees	465	3,500	3,965	7,770
Salaries and Commissions	31,441	26,245	59,842	51,699
Total operating expenses	50,025	46,056	99,751	91,782
Gross Income from operations	34,426	28,930	68,232	55,929
Other income (expense):	-	-	-	-
Investment gains (losses)	-	-	-	-
Other income				
Total other income (expense)	-	-		
Income			-	-
Net Income (EBITDA)	34,426	28,930	68,232	55,929

Equity Statement
June 30, 2023 (Unaudited)
Novus Acquisition & Development Corp.

	Series A Preferred		Series B Preferred		Series C Preferred		Common Stock		Additional		Total
	Shares	Par Value	Shares	Par Value	Shares	Par Value	Shares	Par Value	Paid-in Capital	Accumulated Deficit	Equity (Deficit)
Begin Balance		\$	-					\$	\$	\$	\$
Balance March 31, 2023	6,600	0.001	-	\$0.001	-	-	107,803,624	107,803	\$7,603,162	-\$6,014,602	\$1,588,560
Net income (loss)	-	-	-	-	-	-	-	-	-	-	-
Stock compensation	6,600	-	-	-	-	-	-	-	-	-	-
Conversion of debt	-	-	-	-	-	-	-	-	-	-	-
Stock compensation	-	-	-	-	-	-	-	-	-	-	-
Net income (loss)	-	-	-	-	-	-	-	-	-	-	-
Ending Balance											
Ending Balance June 30, 2023	6,600	0.001	-	\$0.000	-	-	107,803,624	107,803	\$7,709,162	6,112,591	\$1,596,571

Cash Flow Statement
June 30, 2023 (Unaudited)
Novus Acquisition & Development Corp

	<u>Three Months Ended June 30</u>		<u>Six Months Ended June 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES	\$	\$	\$	\$
Net income (loss)	34,426	30,417	68,232	55,929
Adjustments to reconcile net income (loss) to net cash used in operating activities:				
Stock-based compensation	0	0	0	0
NET CASH USED IN OPERATIONS	34,426	30,417	68,232	55,929
NET CHANGE IN CASH AND CASH EQUIVALENTS	34,426	30,417	68,232	55,929
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	191,857	174,716	191,857	169,299
CASH AND CASH EQUIVALENTS AT END OF PERIOD	193,967	179,661	193,967	174,716

Novus Acquisition & Development Corp.

Notes to Consolidated Financial Statements

DESCRIPTION OF ORGANIZATION

Note 1

Organization – Novus Acquisition & Development Corp. (the “Company”) was incorporated on November 11, 1996, under the laws of the state of Nevada under the name Shirazi Corporation. On January 1, 2003, Shirazi Corporation changed its name to Surface Tech, Inc. On September 29, 2006, Surface Tech, Inc. changed its name to BrandQuest Development Group, Inc., and in April 2009 changed its name to Novus Acquisition & Development Corp.

The primary activities of the Company were to serve as a private equity firm for self-funding and/or acquiring one or more operating businesses. The focus of the Company’s business model has changed due to economic and market conditions. Commencing May 2008, the Company’s business model and purpose are to provide risk management within the alternative medicine field including medical marijuana in states where it is approved. From the risk management model, we have our focus set on discount medical plans and supplemental insurance programs that will aid and assist patients with discounts within alternative medicine fields discounts to medication in the respective approved states.

NDEV will work as outside developers and will not cultivate, handle, transport grow, extract, dispense put up for sale, put on the market, vend, deliver, supply, circulate, trade, cannabis or any substances that violate the United States law or the Controlled Substances Act, nor does it intend to do so in the future and will continue to follow state and federal laws. The products and statements made about specific products have not been evaluated by the United States Food and Drug Administration (FDA) and are not intended to diagnose, treat, cure, or prevent disease. All information provided on this press release, or any information contained on or in any product label or packaging is for informational purposes only and is not intended as a substitute for advice from your physician or other health care professional.

The state laws conflict with the federal Controlled Substances Act. The current administration has effectively stated that it is not an efficient use of resources to direct federal law enforcement agencies to prosecute those lawfully abiding by state-designated laws allowing the use and distribution of medical marijuana. However, there is no guarantee that the current administration, nor any future administration, will not change this policy and decide to enforce the federal laws strongly. Any such change in the federal government’s enforcement of current federal laws could cause significant financial changes to the Company. While we do not intend to harvest, distribute or sell cannabis or cannabis-related products, we may be harmed by a change in enforcement by federal or

state governments.

Delay on Audit; the reason the company disseminated a press release in March of 2014 was the fact the Auditors entered into an engagement letter with the Company. After reviewing the Auditors were required, a roll-forward of the Equity Sheet from inception. Since the company was formed in 1996 management researched and produced documents that the Auditors would need to disseminate under SEC rules in a

compliant manner. This process has taken some time and the Company now has all the necessary documentation to carry out the audit.

Basis of accounting – The financial statements are prepared using the accrual basis of accounting. Revenues are recognized when services are rendered, and expenses are recognized in the period in which they were incurred. The basis of accounting conforms to accounting principles generally accepted in the United States of America.

Note 2

Going concern

The company has been a going concern since their PCAOB audit in 2006. Even though this may create uncertainty, the company has had this tag on its financials since the 2006 audit.

Use of estimates

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

Revenue recognition

The Company recognizes revenue in accordance with Staff Accounting Bulletin ("SAB") No. 104, "Revenue Recognition in Financial Statements" which established that revenue can be recognized when persuasive evidence of an arrangement exists, all significant contractual obligations have been satisfied, the fee is fixed or determinable and collection is reasonably assured.

In 2009 the company began generating revenue by rendering consulting services to an unrelated party in exchange for shares of the customer's stock. These revenues were valued at the fair market value per share as of the date the services were rendered pursuant to a consulting agreement and discounted for lack of marketability and blockage.

In 2011 the company began its revenue generation of \$65,072 from various consulting efforts and in 2013 the company generated revenue of \$9,522.60 from various consulting efforts. At the late end of 2013, the company decided to provide Risk Management within the Medical Marijuana space which has led to the Company's effort to get into the health insurance/ medical plan, and ultimately the supplemental insurance space, since then it has been generating revenue from its medplan policies.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents.

Fair value of financial instruments

The carrying amounts of financial instruments, including cash, accounts receivable, and investments approximate fair value on December 31, 2009, due to the relatively short maturity of the instruments.

Note 3

Shareholder Loans

Frank Labrozzi the CEO has infused money periodically into the Company and its subsidiaries for a total of \$91,000 with call provisions.

Available for Sale Securities

The Company accounts for investments under Statement of Financial Accounting Standards ("SFAS") No. 115, Accounting for Certain Investments in Debt and Equity Securities. The Company reports investments in debt and marketable equity securities at fair value based on quoted market prices or, if quoted prices are not available, discounted expected cash flows using market rates commensurate with credit quality and maturity of the investment. Investment securities are designated as available for sale with unrealized gains and losses included in comprehensive income. Held-to-maturity securities are reported at amortized cost. The Company regularly reviews investment securities for impairment based on criteria that include the extent to which the investment's carrying value exceeds its related market value, the duration of the market decline, the Company's ability to hold to recovery, and the financial strength and specific prospects of the issuer of the security. Unrealized losses that are other than temporary are included in the determination of income. Realized gains and losses are accounted for on the specific identification method.

These line items

This line item accumulates the following

Income taxes

Income taxes are computed under the provisions of SFAS No. 109 "Accounting for Income Taxes", using an asset and liability approach for

financial accounting and income tax reporting based on expected tax rates. Deferred tax assets are reducing a valuation allowance when it is more likely than not that some portion, or all, of the deferred tax assets, will not be realized.

Reclassifications

Certain amounts in the prior-year financial statements have been reclassified for comparative purposes to conform to the current year's presentation.

New accounting pronouncements Fair Value Measurements

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements". SFAS No. 157 guides using fair value to measure assets and liabilities. SFAS No. 157 addresses the requests from investors for expanded disclosure about the extent to which companies measure assets and liabilities at fair value, the information used to measure fair value, and the effect of fair value measurements on earnings. SFAS No. 157 applies whenever other standards require (or permit) assets or liabilities to be measured at fair value and do not expand the use of fair value in any new circumstances. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and will be adopted by the Company in the first quarter of the fiscal year 2008. The Company is unable at this time to determine the condition.

In February 2008, the FASB issued Staff Position ("FSP") 157-2, "Effective Date of FASB Statement No. 157". This FSP delays the effective date of SFAS No. 157 for all nonfinancial assets and nonfinancial liabilities, except those that are recognized or disclosed at fair value on a recurring basis (at least annually) to fiscal years beginning after November 15, 2008, and interim periods within those fiscal years. The impact of adoption was not material to the Company's financial condition or results of operations.

Accounting for Uncertainty in Income Taxes: In July 2006, the FASB issued FASB Interpretation No. 48 (FIN 48), "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109". FIN 48 clarifies that accounting for uncertainty in income taxes is recognized under SFAS No. 109 "Accounting for Income Taxes". FIN 48 prescribes a recognition threshold and measurement attribute for financial statement recognition measurement of a tax position taken or expected to be taken in a tax return and also provides guidelines on various related matters such as derecognition, measurement, and classification of income tax uncertainties, interest and penalties, and disclosure. FIN 48 also includes guidance concerning accounting for income tax uncertainties in interim periods and increases the level of required disclosures associated with any recorded income tax uncertainties. The differences between the amount recognized in

the statement of financial position before the adoption of FIN 48 and the amounts reported after adoption are to be accounted for as a cumulative effect adjustment recorded to the beginning balance of retained earnings. FIN 48 was effective beginning in the fiscal year 2007 and did not have a material effect on

The Company's financial position, results of development stage activities, or liquidity.

Considering the Effects of Prior Year Misstatements

In September 2006, the Securities and Exchange Commission ("SEC") issued Staff Accounting Bulletin No. 108 (SAB No. 108) "Considering the Effects of Prior Year Misstatements When Qualifying Misstatements in Current Year Financial Statements". SAB No. 108 provides interpretive guidance on how the effects of the carryover or reversal of prior-year misstatements should be considered in qualifying a current-year misstatement. The SEC staff believes that registrants should qualify errors using both a balance sheet and income statement approach and evaluate whether either approach results in qualifying a current-year misstatement that, when all relevant quantitative and qualitative factors are considered, is material. The provisions of SAB No. 108 were effective for the Company's fiscal year ending December 31, 2007. The adoption of SAB No. 108 did not have a material impact on the Company's financial statements.

Business Combinations

In December 2007, the FASB issued SFAS No. 141(R) "Business Combinations" SFAS No. 141(R). This Statement replaces the original SFAS No. 141. This Statement retains the fundamental requirements in Statement 141 that the acquisition method of accounting (which Statement No. 141 called the purchase method) be used for all business combinations and for an acquirer to be identified for each business combination. The objective of this SFAS No. 141(R) is to improve the relevance and comparability of the information that a reporting entity provides in its financial report about a business combination and its effects.

To accomplish that, SFAS No. 141(R) establishes principles and requirements for how the acquirer:

- Recognizes and measures in its financial statements the identifiable assets acquired, the liabilities assumed, and any non-controlling interest in the acquiree.
- Recognizes and measures the goodwill acquired in the business combination or a gain from a bargain purchase.
- Determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination.

This Statement applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting

period beginning on or after December 15, 2008, and may not be applied before that date. The Company is unable at this time to determine the effect that its adoption of SFAS No. 141(R) will have on its consolidated results of operations and financial condition.

Fair Value Option for Financial Assets and Financial Liabilities

In February 2007, the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities – Including an amendment of FASB Statement No. 115", which becomes effective for the Company on February 1, 2008, permits companies to choose to measure many financial instruments and certain other items at fair value and report unrealized gains and losses in earnings. Such accounting is optional and is generally to be applied instrument by instrument. The Company does not anticipate that the election, of this fair-value option, will have a material effect on its consolidated financial condition, results of operations, cash flows, or disclosures.

Fair Value Measurements

In September 2006, the FASB issued SFAS No. 157; "Fair Value Measurements" SFAS No. 157 provides guidance for using fair value to measure assets and liabilities. SFAS No. 157 addresses the requests from investors for expanded disclosure about the extent to which companies measure assets and liabilities at fair value, the information used to measure fair value, and the effect of fair value measurements on earnings. SFAS No. 157 applies whenever other standards require (or permit) assets or liabilities to be measured at fair value and does not expand the use of fair value in any new circumstances. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and will be adopted by the Company in the first quarter of the fiscal year 2008. The Company is unable at this time to determine the effect that its adoption of SFAS No. 157 will have on its consolidated results of operations and financial condition.

Stock-based compensation:

Effective January 1, 2007, the Company adopted SFAS No. 123(R), "Share-Based Payment" ("SFAS 123(R)"), and related interpretations that superseded APB No. 25.

SFAS 123(R) requires that all stock-based compensation be recognized as an expense in the financial statements and that such cost be measured at the fair value of the award. This statement was adopted using the modified prospective method, which requires the Company to recognize compensation expenses on a prospective basis.

The above benefit was calculated using a combined federal and state tax estimated rate as noted

below

On December 31, 2018, the Company has a net operating loss carryforward of approximately \$240,000 which will expire at various dates through 2027.

COMMITMENTS

Employment Agreements

The Company has employment agreements with both its Chief Executive Officer ("CEO") and President. The agreements are for nine years beginning November 17, 2008, with automatic renewal. Initial compensation relating to the agreements is 25,000,000 shares, thereafter 2,000,000 shares per year.

Section 1 - DESIGNATION OF SERIES AND RANK

The total 6,600 shares of such series shall be designated as the "Series A Preferred Stock" and the number of shares initially constituting such series shall be up to six thousand six hundred (6,600) shares. The Series A Preferred Stock shall be senior to the common stock and any other series or class of the company's preferred stock. **Note: No Stock Symbol For Series A**

Section 2 - CONVERSION RIGHTS

Series A Preferred Stock- All of the 6,600 shares of Series A Preferred Stock are issued and outstanding, then the total aggregate issued shares of Series A Preferred Stock at any given time, regardless of their number, shall not be convertible into shares of Common Stock, the Series A Preferred is voting shares only equal 66% of the total number of shares of Common Stock, plus the total number of shares of all other series of stock, which are issued and outstanding.

All shares of Series A Preferred Stock shall not be convertible into the number of shares of Common Stock which equals 66% of the total number of shares of Common Stock, plus the total number of shares of all other series of stock, which are issued and outstanding at the time of conversion, divided by the total number of shares of Series A Preferred Stock at the time of conversion.

The terms of the contract include a non-dilution of officers and directors for nine years, acceleration of agreement in the case of termination, or change of control in which all compensation shall be delivered within thirty days of termination, performance-based, and a non-compete clause.

Note: No Stock Symbol For Series A

VALUE OR DEFICIENCY IN ASSETS

Classes of stock

Common Shares- the authorized number of common shares is 200,000,000. The CEO and President are majority shareholders owning approximately 66% of the company in total.

Series A; Section 1 - DESIGNATION OF SERIES AND RANK

The total 6,600 shares of such series shall be designated as the "Series A Preferred Stock" and the number of shares initially constituting such series shall be up to six thousand six hundred (6,600) shares. The Series A Preferred Stock shall be senior to the common stock and any other series or class of the company's preferred stock. **Note: No Stock Symbol For Series A**

Section 2 - CONVERSION RIGHTS

All of the 6,600 shares of Series A Preferred Stock are issued and outstanding, then the total aggregate issued shares of Series A Preferred Stock at any given time, regardless of their number, shall not be convertible into shares of Common Stock, the Series A Preferred is voting shares only equal 66% of the total number of shares of Common Stock, plus the total number of shares of all other series of stock, which are issued and outstanding.

All shares of Series A Preferred Stock shall not be convertible into the number of shares of Common Stock which equals 66% of the total number of shares of Common Stock, plus the total number of shares of all other series of stock, which are issued and outstanding at the time of conversion, divided by the total number of shares of Series A Preferred Stock at the time of conversion.

Note: No Stock Symbol For Series A

Section 3 - LIQUIDATION RIGHTS

In the event of any liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary, the holders of the Series A Preferred then outstanding shall be entitled to be paid out of the assets of the Company, before any other class or series, available for distribution to its shareholders, before any payment or declaration and set apart for payment of any amount shall be made in respect of any outstanding capital stock of the Company, an amount equal to One Thousand Dollars (\$1,000) per share or option issued.

Then all of the assets of the Company available to be distributed shall be distributed ratably to the holders of the Series A Preferred and then to the holders of other outstanding shares of capital stock of the Company. If upon any liquidation, dissolution, or winding up of the Company, whether voluntary or involuntary, the assets to be distributed to the holders of the Series A Preferred shall be insufficient to permit the payment to the holders thereof the full preferential amount as provided herein, then such available assets shall be distributed ratably to the holders of the Series A Preferred.

None of the following events shall be treated as or deemed to be liquidation hereunder:

A merger, consolidation, or reorganization of the Company;

A sale or other transfer of all or substantially all of the Company's assets;

A sale of 50% or more of the Company's capital stock then issued and outstanding;

Purchase or redemption by the Company of stock of any class; or
Payment of a dividend or distribution from funds legally available, therefore.

Section 4 - VOTING RIGHTS

Series A Preferred Stock is issued and outstanding, then the total aggregate issued shares of Series A Preferred Stock at any given time, regardless of their number, shall have voting rights equal to 66% of the total number of shares of Common Stock, plus the total number of shares of all other series of stock, issued and outstanding at the time of any vote of shareholders.

All 6,600 of Series A Preferred Stock shall have voting rights equal to 66% of the number of shares of Common Stock, plus the total number of shares of all other series of Stock, issued and outstanding at the time of any vote of shareholders, divided by the number of shares of Series A Preferred Stock which are issued and outstanding at the time of the vote. **Note: No Stock Symbol For Series A**

Series B Dividend Shares- authorized 100 million shares of this convertible preferred with a redemption rate of 1:2 into common. The price point is \$1.00 per share; two preferred shares for every common share. None are issued

Series C Convertible Preferred Shares - Authorized 10 million shares and carry at the stated conversion of \$5.00 per share and is 1:1 conversion into common.

Reclassification issues will not be granted in the event of dilution that equates to a higher net asset value. None are issued

Series D Shares- This class of stock was established to be traded on foreign exchanges such as the Nikkei and the Dax. By June 30, 2009, the Company had not yet obtained authorization to trade on any foreign exchanges. The total authorized number of Series D shares is 100,000,000. None are issued

EARNINGS PER SHARE

Basic earnings per share are computed by dividing earnings (losses) available to common stockholders by the weighted average of common shares outstanding during the period. Additionally, the earning per share is calculated for insurance companies on the Net Asset Value of the Balance Sheet

SOFTWARE DEVELOPMENT:

Various portal upgrades and app development