

**Disclosure Statement Pursuant to the Pink Basic Disclosure
Guidelines**

Everlert, Inc

6250 Hollywood Boulevard, Suite 5F
Hollywood, CA 90028

+1 917-513-6457
BlankenshipArtistsCapitalFund@gmail.com
SIC 7922

Quarterly Report

For the period ending September 30, 2023 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

709,217,261 as of September 29, 2023

709,217,261 as of July 12, 2023

709,217,261 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 Control¹ 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 any names used by predecessor entities, along with the dates of the name changes.

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.

Everlert, Inc.

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):

Nevada - active

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

N/A

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

N/A

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

6250 Hollywood Boulevard, Suite 5F,
Hollywood, CA 90028

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: Transfer Online, Inc.
Phone: (503) 595-2974
Email: info@transferonline.com
Address: 512 SE Salmon St.
Portland, OR 97214

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:	<u>EVL</u>	
Exact title and class of securities outstanding:	<u>Common</u>	
CUSIP:	<u>300362308</u>	
Par or stated value:	<u>\$0.001</u>	
Total shares authorized:	<u>800,000,000</u>	as of date: <u>September 29, 2023</u>
Total shares outstanding:	<u>709,217,261</u>	as of date: <u>September 29, 2023</u>
Total number of shareholders of record:	<u>240</u>	as of date: <u>September 29, 2023</u>

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: Preferred D
CUSIP (if applicable): 300362308
Par or stated value: \$0.001
Total shares authorized: 2,100,000,000 as of date: September 29, 2023
Total shares outstanding (if applicable): 2,100,000,000 as of date: September 29, 2023
Total number of shareholders of record (if applicable): 2 as of date: September 29, 2023

Exact title and class of the security: Preferred E
CUSIP (if applicable): 300362308
Par or stated value: \$0.001
Total shares authorized: 25,000,000 as of date: September 29, 2023
Total shares outstanding (if applicable): 19,890,946 as of date: September 29, 2023
Total number of shareholders of record (if applicable): 110 as of date: September 29, 2023

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.

The holders of the common shares: (a) have equal ratable rights to dividends from funds legally available and therefore, when, as, and if declared by the Board of Directors of the Company; (b) are entitled to share ratably in all of the assets of the Company available for distribution upon winding up of the affairs of the Company; and (c) are entitled to one non-cumulative vote per share on all matters on which

shareholders may vote at all meetings of shareholders. These securities do not have any of the following rights: (a) cumulative or special voting rights; (b) preemptive rights to purchase new issues of shares; (c) preference as to dividends or interest; (d) preference upon liquidation; or (e) any other special rights or preferences. In addition, the shares are not convertible into any other security. There are no restrictions on dividends under any loan, other financing agreements or otherwise.

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

Class E - The authorized capital stock of the Company includes 25,000,000 shares of preferred stock, Class "E", par value \$0.001 per share. The holders of the shares: (a) are not entitled to receive any dividends; (b) are not entitled to liquidation rights; and (c) are entitled to one non-cumulative vote per share on all matters on which shareholders may vote at all meetings of shareholders; (d) are entitled to convert shares to one common stock of the Company for each preferred share after a one year hold period from the issuance of this preferred class.

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

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.

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: <u>Opening Balance</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date _____	Common: _____	Preferred: _____							
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.

_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Shares Outstanding on Date of This Report:									
		Ending _____ Balance							
Ending Balance:									
Date _____	Common: _____								
Preferred: _____									

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. <small>*You must disclose the control person(s) for any entities listed.</small>	Reason for Issuance (e.g. Loan, Services, etc.)
<u>12/31/17</u>	<u>\$78,096</u>	<u>\$78,096</u>	_____	<u>1/1/20</u>	<u>convertible into common shares of the company at the rate of \$.001 a share</u>	<u>Robert L. Hymers III</u>	<u>Loan</u>
<u>06/18/19</u>	<u>\$55,000</u>	<u>\$55,000</u>	_____	<u>6/18/21</u>	_____	<u>Robert L. Hymers III</u>	<u>Loan</u>

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

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.otcmartets.com).

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

In October of 2014, the Company's board of directors decided to diversify the Company's operations by pursuing several new business opportunities in Entertainment and Real Estate to augment its operations. In order to formalize these business operations that commenced in September 2014 with the acquisition of certain entertainment rights and properties, Everlert Entertainment, Inc. was formed on January 6, 2015, as a Nevada Corporation. Everlert Entertainment Inc. is a provider of strategic management for entertainment related projects based on unique intellectual properties that are licensed or are joint ventures with the

Company. These projects include films, TV, music and digital media. The new divisions were referenced in publicly issued press releases on November 5, 2014, November 11, 2014, February 10, 2015, and April 9, 2015, respectively.

In order to formally pursue a number of real estate project development opportunities that were under development since August of 2014, Everlert Properties Inc. was formed on December 29, 2014, as a Nevada Corporation. This subsidiary consults with property owners to evaluate and propose development strategies, as well as evaluate possible sources of project financing in the form of structured financings. The Company will become a co-developer with the property or project owners of these ventures.

Everlert Inc. now acts as the parent company for its two remaining wholly-owned subsidiaries. Everlert Entertainment Inc. has the right to intellectual properties with well-known celebrities from music, and other entertainment sectors. Current projects under development include documentary films, biographies, TV programming, music and digital media. In addition, Everlert Entertainment Inc. will focus on partnering with a number of digital media companies that are experts and innovators in mobile gaming and proximity marketing for the development of mobile applications for Everlert intellectual properties.

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

Everlert Entertainment Inc., and Everlert Properties Inc.

- C. Describe the issuers' principal products or services.

Everlert Entertainment Inc. (Subsidiary):

The Company provides entertainment related services and projects through its wholly owned subsidiary, Everlert Entertainment Inc. Everlert Entertainment Inc. is a provider of strategic management for entertainment related projects based on intellectual properties licensed to the Company. Projects include films, TV, music and digital media.

Everlert Properties, Inc. (Subsidiary):

Everlert Properties Inc. consults with property owners to evaluate and propose development strategies as well as evaluate possible sources of project financing in the form of structured financing. The Company has also invested and is helping to operate a Sober Living facility.

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.

in February 2018 relocated its corporate offices to the W Hollywood at 6250 Hollywood Boulevard, Suite 5F, Hollywood, California 90028.

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 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
<u>Mark Blankenship</u>	<u>CEO</u>	Los Angeles, CA	2,000,000,000	<u>Preferred D</u>	<u>95.23%</u>	
<u>Blankenship Harper Holdings, LLC</u>	<u>Owner of more than 5%</u>	<u>Wilmington, DE</u>	<u>378,333,334</u>	<u>Common</u>	<u>53.34%</u>	<u>Mark Blankenship</u>
<u>Robert L. Hymers III</u>	<u>Owner of more than 5%</u>	<u>Los Angeles, CA</u>	<u>69,703,334</u>	<u>Common</u>	<u>9.82%</u>	
<u>Hymers Family Foundation For Arts and Education</u>	<u>Owner of more than 5%</u>	<u>Los Angeles, CA</u>	<u>81,000,000</u>	<u>Common</u>	<u>11.42%</u>	<u>Robert L. Hymers III</u>
<u>Jennifer Anne Harper</u>	<u>President</u>	<u>Glendale, CA</u>	<u>0</u>	<u>N/A</u>	<u>N/A</u>	
<u>David Hymers</u>	<u>Owner of more than 5%</u>	<u>Unknown</u>	<u>10,000,000</u>	<u>Preferred E</u>	<u>40%</u>	<u>Alston, England, UK</u>
<u>Davo, Inc</u>	<u>Owner of more than 5%</u>	<u>Lakeview Terrace, CA</u>	<u>1,901,850</u>	<u>Preferred E</u>	<u>7.6%</u>	<u>Emil Shahnazarian</u>
<u>Logitech Shipping, Inc.</u>	<u>Owner of more than 5%</u>	<u>Houston, TX</u>	<u>1,666,667</u>	<u>Preferred E</u>	<u>6.7%</u>	<u>Johnny Hyldmar</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);

Yes

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;

No

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

No

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.

No

- 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.

Item 7.a.1.: In June 2018 Mark Blankenship pled Nole Contendre to the charge of Conspiracy, a felony in California that can be reduced to a misdemeanor (known in California as a "wobbler"). Mark Blankenship received probation as a sentence. Mark Blankenship is in the process of reducing the felony to a misdemeanor and will eventually seek expungement of this conviction arises out of the very aggressive prosecution of Rap Mogul Suge Knight.

Item 7.a.4.: Please note that the previously filed version of this disclosure had mistakenly inducted a yes answer. In the last 10 years no person has been permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

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: BrannellyLaw, PLLC
Address 1: PO Box 1832
Address 2: Draper, UT 84020
Phone: _____
Email: jack@brannellylaw.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: **Mark Blankenship**
Title: **CEO**
Relationship to Issuer: **CFO**

Describe the qualifications of the person or persons who prepared the financial statements: Mr. Blankenship is a retired attorney that ended his legal career as a prominent civil rights attorney. For a majority of his career, Mr. Blankenship specialized as a Securities & Transactions and Land Use attorney, during which he helped create and structure complex transactions involving the acquisition and development of large assets, all of which involved the participation and involvement of public finance, private equity and debt. Mr. Blankenship has served private equity companies as an attorney and has successfully assisted them in structuring many transactions as well as participating as a Principal in many of these transactions as a Venture Capitalist, Financier and Developer.

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

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.

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, Mark Blankenship certify that:

1. I have reviewed this Disclosure Statement for Everlert, Inc.;
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.

September 29, 2023

/s/ Mark Blankenship

Principal Financial Officer:

I, Mark Blankenship certify that:

1. I have reviewed this Disclosure Statement for Everlert, Inc.;
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.

September 29, 2023

/s/ Mark Blankenship

Everlert, Inc.

Consolidated Financial Statements

(Unaudited)

And

Footnotes to the Financial Statements

(Stated in US Dollars)

6250 Hollywood Boulevard, Suite SF Hollywood, CA
90028

Phone: 917-513-6457

OTC: EVLI (CUSIP: 300362308)

EVERLERT, INC.
Consolidated Balance Sheet (Unaudited)
(Stated in US Dollars)

	September 30, <u>2023</u>	December 31, <u>2022</u>
ASSETS		
Current Assets:		
Cash and Equivalents		
Accounts Receivable	\$ -	\$ -
Inventory		
Other Current Assets		
Total current assets	\$ -	\$ -
Fixed Assets		
Equipment and Furniture	15,400	15,400
Other Machinery and Equipment	-	-
Accumulated Depreciation	(6,930)	(6,160)
Total Fixed Assets, Net	\$ 8,470	\$ 9,240
Other Assets		
Subscription Receivable	181,900	181,900
Investment in JV	146,530	146,530
Other Long-Term Assets	11,048	11,048
Total Other Assets	\$ 339,478	\$ 339,478
Total Assets	\$ 347,948	\$ 348,718
<hr/>		
LIABILITIES AND STOCKHOLDERS' DEFICIT		
Current Liabilities:		
Accounts payable and accrued expenses	1,226,017	1,188,842
Interest Payable	17,455	14,705
Other Current Liabilities	9,000	9,000
Total Current Liabilities	\$ 1,252,472	\$ 1,212,547
Long-Term Liabilities:		
Long Term Loan	\$ -	\$ -
Promissory Note - Hymers	\$ 55,000	\$ 55,000
Shareholder Loan - Hymers	78,096	78,096
Total Long-Term Liabilities	133,096	133,096
Total Liabilities	\$ 1,385,568	\$ 1,345,643

Stockholders' Deficit:

Preferred Stock, Class "D", par value \$0.001, 2,100,000,000 shares authorized, 2,100,000,000 issued or outstanding.	-	-
Preferred Stock, Class "E", par value \$0.001, 25,000,000 shares authorized, 20,421,569 issued or outstanding.	243,017	243,017
Preferred Stock, Class "F", par value \$0.001, 1,000,000 shares authorized, 423,170 issued or outstanding.	423,170	423,170
Common Stock, 800,000,000 shares authorized; par value \$0.001 per share; 709,217,261 outstanding at December 31 2022 and December 31, 2021, respectively	709,217	709,217
Additional Paid -In Capital	8,251,808	8,251,808
Accumulated Deficit - Discontinued Operations	-3,761,729	-3,761,729
Accumulated Deficit	\$ (6,875,538)	\$ (6,862,408)
Total Stockholders' Equity (Deficit)	-1,010,055	-996,925
Total Liabilities and Stockholders' Equity	347,948	348,718

EVERLERT, INC.
Consolidated Income Statement (Unaudited)
(Stated in US Dollars)

	For the Three months ended	For the Twelve months ended
	9/30/23	12/31/22
Net Revenue	<u>\$</u> -	<u>\$</u> -
Cost of Goods Sold		
Gross Profit	\$ -	\$ -
Operating Expenses:		
General and Administrative	\$ 5,500	\$ 17,000
Bad Debt Expense	-	123,789
Interest Expense	1,375	5,500
Officer's Compensation	-	-
Professional Fees	5,920	2,900
Depreciation	770	3,080
Total Operating Expenses	<u>\$</u> <u>13,565</u>	<u>\$</u> <u>152,269</u>
Operating Income (Loss)	\$ (13,565)	\$ (152,269)
Other Income (Expense):		
Total other Income (Expense)		
Income (Loss) from Continuing Operations	<u>\$</u> <u>(13,565)</u>	<u>\$</u> <u>(152,269)</u>
Net Income (Loss)	\$ (13,565)	\$ (152,269)
Basic Loss Per Common Share	\$ (0.003)	\$ (0.003)
(Continuing Operations)		
Weighted Average Number of Common Shares	709,217,261	387,716,734

EVERLERT, INC.
Consolidated Statement of Cash Flows (Unaudited)
(Stated in US Dollars)

	For the Three months ended 9/30/23	For the Twelve months ended 12/31/22
<u>Operating Activities</u>		
Net Income (loss)	\$ (13,565)	\$ (152,269)
Depreciation	770	3,080
Share Based Compensation		
Bad Debt Expense	-	123,789
<i>Changes in operating assets and liabilities</i>		
(Increase) Decrease in Accounts Receivable		
(Increase) Decrease in Other Current Assets	4,300	2,900
Increase (Decrease) in Accounts Payable and Accrued Expenses	8,535	17,000
Increase (Decrease) in Accrued Interest		5,500
Net cash used in operating activities	<u>\$ 40</u>	<u>\$ -</u>
<u>Investing Activities</u>		
Net cash used in investing activities		
<u>Financing Activities</u>		
Cash Proceeds from Issuance of Convertible Notes		
Cash Proceeds from Issuance of Common Stock		
Cash Proceeds from Subscription Agreements		
Net Cash provided by financing activities	<u>\$0</u>	<u>\$0</u>
Net change in cash	<u>\$0</u>	<u>\$0</u>
Cash at beginning of period	<u>\$0</u>	<u>\$0</u>
Cash at end of period	<u>\$0</u>	<u>\$0</u>

EVERLERT, INC. STATEMENTS OF STOCKHOLDER'S EQUITY

From December 31, 2019 to September 30, 2023

(Stated in US Dollars)

	Preferred Stock Shares		Common Stock Shared		Paid In Capital	Accumulated Deficit - Discontinued Operations	Accumulated Deficit	Total Equity
Net Loss December 31, 2019							-	-
Balance December 31, 2019	20,844,739	666	709,217,261	588,486	8,410,839	(3,762)	(5,589,279)	(716,356)
Net Loss December 31, 2020							(560,430)	(560,430)
Balance December 31, 2020	20,844,739	666,187	709,217,261	588,486	8,410,839	(3,761,729)	(6,149,709)	(1,276,786)
Net Loss December 31, 2021							(560,430)	(560,430)
Balance December 31, 2021	29,844,739	666,187	709,217,261	588,486	8,410,839	(3,761,729)	(6,710,139)	(806,356)
Common Stock - to correct past issuances				120,731	(159,031)			(38,300)
Net Loss - 2022							\$ (152,269)	\$ (152,269)
Balance December 31, 2022	29,844,739	666,187	709,217,261	709,217	8,251,808	(3,761,729)	(6,862,408)	(996,925)
Net Loss - Q1 2023							\$ (13,565)	
Balance March 31, 2023	29,844,739	666,187	709,217,261	709,217	8,251,808	(3,761,729)	(6,868,973)	(1,003,490)
Net Loss - Q2 2023							\$ (13,565)	
Balance June 30, 2023	29,844,739	666,187	709,217,261	709,217	8,251,808	(3,761,729)	(6,875,538)	(1,010,055)
Net Loss - Q3 2023							\$ (13,565)	
Balance September 30, 2023	29,844,739	666,187	709,217,261	709,217	8,251,808	(3,761,729)	(6,903,103)	(1,037,620)

Note A - Nature of Business and Summary of Significant Accounting Policies

The Company

Everlert, Inc. (hereinafter referred to as the "Company") is a publicly traded company that controls the following wholly owned subsidiaries as of December 31, 2018, Everlert Entertainment, Inc., and Everlert Properties, Inc. All of the subsidiaries' financial activity are included in the consolidated financial statements of the Company.

In October of 2014, the Company's board of directors decided to diversify Company operations by pursuing new business opportunities in Entertainment and Real Estate. As of the date of this quarterly filing, the Company has a number of new projects in development.

Everlert Entertainment, Inc. was formed on January 6, 2015, as a Nevada Corporation. Everlert Entertainment Inc. is provider of strategic management for entertainment related projects based on intellectual properties licensed to the Company. Projects include films, TV, music and digital media.

Everlert Properties Inc. was formed on December 29, 2014, as a Nevada Corporation. Everlert Properties Inc., consults with property owners to evaluate and propose development strategies as well as evaluate possible sources of project financing in the form of structured financing.

Everlert Inc. now acts as the parent company for its two remaining wholly owned subsidiaries. Everlert Entertainment Inc. has the right to intellectual properties with well-known celebrities from music, sports and other entertainment sectors. Current projects under development include documentary films, biographies, TV programming, music and digital media. In addition, Everlert Entertainment Inc. will focus on partnering with a number of digital media companies that are expert and innovators in mobile gaming and proximity marketing for the development of mobile applications for Everlert intellectual properties.

In Q4 2016, Everlert acquired a Joint-Venture interest in JH Media Group, which is a Limited Liability Company. JH Media Group entity holds intellectual property rights, as well as of rights arising from the pending administration of the estate of Jerry Heller. Everlert intends to actively work with Heller's estate to develop some of its entertainment assets through its network and expertise in the industry.

As part of the Everlert Inc.'s decision to diversify operations and as part of the Board of Director's initiative to focus on higher margin businesses with more long term growth and to reduce company liabilities, Totalpost Services was sold to its original owners on February 20, 2015 and is presented as a discontinued operation in the footnotes to the financial statements as of March 31, 2018. The Board believes that by streamlining operations the Company is able to reduce administrative expenses and improve long-term shareholder value.

A summary of the significant accounting policies applied in the preparation of the accompanying financial statement are as follows.

Nature of Operations & Corporate Structure

Everlert, Inc., a Nevada corporation ("registrant"), was originally incorporated on February 3, 1998, and has adopted a December 31st year-end. In February 1998, the articles of incorporation were amended to add to the authorized shares 5 million shares of preferred stock and increase the authorized common stock to 50,000,000 shares. In December 2003, the articles of incorporation were amended to increase the number of authorized common shares to 800,000,000. In December 2006, the articles of incorporation were amended to add to the authorized shares, 5 million shares of preferred stock designated as Series "A" Preferred.

In December 2006, the Company acquired 90% of Orpheus Capital, LLC in a stock for stock exchange by issuing 19,373,256 Common Stock Shares at par \$0.001 for a total purchase price of \$116,240. The acquisition was accounted for by using the purchase method of accounting and, accordingly, Orpheus Capital, LLC's operating results and financial position have been included in the consolidated financial statements since the date of acquisition through the date of the sale discussed below on February 8, 2013 to Mr. Davidson.

Pursuant to an agreement dated February 8th, 2013, between Everlert, Inc. and former executive and director, Lee Davidson, the Company agreed to sell its 90% interest in Orpheus Capital, LLC to Mr. Davidson in exchange for the return of 16,000 Series C Preferred stock that he owned to the Company's treasury. The transaction was valued at \$48,000. On February 8th, 2013, the Board of Directors unanimously passed a resolution to cancel the Series C Preferred stock as a designated class. The Company realized a loss on the retirement of this class of stock.

Mr. Davidson resigned as an officer of Everlert on February 15, 2013, subsequent to the consummation of the sale of Orpheus Capital LLC. As part of his employment agreement, Mr. Davidson was entitled to \$350,000 in severance pay for the length of his service as an officer and director of Everlert that was due and payable upon his resignation. As of December 31, 2014, \$100,000 of this debt has been assigned to a third party and converted to 3,333,333 common shares. The remaining balance of \$250,000 was canceled by Mr. Davidson during the Fourth Quarter- 2014.

Pursuant to the share exchange agreement dated November 12th 2012, by and between Totalpost Services Inc. and Everlert, David Hymers the 100% owner of Totalpost Services Inc. exchanged 1,500 of his common shares of Totalpost Services, Inc (a Delaware Corporation) to Everlert, Inc. and \$20,000 to pay for certain transaction costs related to the transfer in exchange for 108,333,333 common shares of Everlert, Inc. Subsequent to the exchange, Everlert owned all of the outstanding stock of Totalpost Services, Inc., making it a wholly owned subsidiary of Everlert.

On July 23rd, 2013, the Company issued 1,666,667 shares of the Company's common stock based on the conversion of 5,000,000 of Preferred Stock, Class "A" by a shareholder. The class of preferred stock was subsequently retired by the Board of Directors.

On February 12, 2014, the Company issued 100,000,000 preferred Class "D" shares to David Hymers an affiliate of Everlert Inc. in exchange for returning 91,666,667 restricted common shares to treasury.

On November 3, 2014, the Company issued to shareholders of record on November 3rd, a ten percent (10%) dividend from a newly designated class of Preferred Stock, "Class E". A reserve of 3,403,667 shares of the Company's common stock was held in reserve to fulfill the future conversion of its Class "E" Preferred Stock.

On December 8, 2014, the Company issued 423,170 of Preferred Class "F" stock in exchange for the conversion of \$423,170 of Convertible Notes by two note holders.

Effective February 10, 2015, the Company completed a 1 for 6 reverse stock split of the Company's common stock.

On February 20, 2015, an Everlert Inc. related party acquired 100% of Totalpost Services, Inc. in exchange for 100,000,000 shares of Everlert Preferred Stock, Class "D", par value \$0.001 for the assumption of all debt and obligations of Totalpost. The sale price included the payment of 100,000,000 Class "D" Preferred Stock owned by the buyer and its subsequent cancelation and the assumption by the purchaser of all debt and financial obligations of Totalpost Services, amounting to \$1,708,187, which resulted in a reduction of Everlert Inc.'s liabilities on a consolidated basis of \$1,708,187.

Basis of Consolidation

The consolidated financial statements reflect the financial results of the Company, Totalpost Services Corporation, a Delaware Corporation, through the date of the sale on February 20, 2015, as well as Everlert Entertainment, Inc. and Everlert Properties, Inc., both of which are Nevada Corporations. These are the Company's two active subsidiaries as of March 31, 2018. All significant inter-company transactions have been eliminated in consolidation.

The Company's mergers and acquisitions were accounted for as purchases in accordance with ASC 805, *Business Combinations* (previously codified as SFAS No. 141). ASC 805 requires all business combinations initiated after September 30, 2001 to be accounted for under the purchase method of accounting. The fair value of the consideration given by the Company in the mergers was used as the valuation basis for each of the combinations. The accompanying consolidated statements of operation and cash flows include the results of the properties purchased through the mergers and acquisitions from their respective closing dates.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) in the United States requires management to make estimates and assumptions that affect amounts reported and disclosed in the financial statements and the accompanying notes. Actual results could differ materially from these estimates. On an ongoing basis, we expect to evaluate our estimates, including those related to the accounts receivable, the accounts payable and sales allowances, fair values of marketable and non-marketable securities, fair values of intangible assets and goodwill, useful lives of intangible assets, property and equipment, fair values of options to purchase our common stock, and income taxes, among others. We expect to base our estimates on historical experience and on various other assumptions that are believed to be reasonable, and the results of which form the basis for making judgments about the carrying values of assets and liabilities.

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

It is reasonably possible that the estimates may change in the future.

Fair Value of Financial Instruments

The carrying amounts of our financial instruments, including cash and cash equivalents, marketable securities, Accounts Receivable, Accounts Payable and accrued liabilities, approximate fair value because of their generally short maturities.

Cash and Cash Equivalents and Marketable Securities

We invest our excess cash in money market funds and in highly liquid debt instruments of U.S. municipalities, corporations and the US government and its agencies. All highly liquid investments with stated maturities of three months or less from date of purchase are classified as cash equivalents; all highly liquid investments with stated maturities of greater than three months are classified as marketable securities.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Leasehold improvements, if any, are amortized over the shorter of the lease term or the estimated useful lives of the assets. Depreciation for equipment commences once it is placed in service and depreciation for buildings and leasehold improvements commences once they are ready for their intended use.

Depreciation

Depreciable property, when utilized by the Company and not held for sale, is expected to be depreciated using a straight-line method over the estimated useful lives of the assets as follows:

Land improvements	3-20 years
Buildings and improvements	3-14 years
Furniture, fixtures and equipment	5-10 years
Computer software	5 years

Long-Lived to Assets Including Goodwill and Other Acquired Intangible Assets

The Company reviews property and equipment and intangible assets, including goodwill, for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may not be recoverable. Recoverability of these assets is measured by comparison of carrying amounts to the future on discounted cash flows the assets are expected to generate. If property and equipment and intangible assets are considered to be impaired, the impairment to be recognized equals the amount by which the carrying value of the asset exceeds its fair market value. The Company has made no adjustments to long-lived assets in any of the years presented. In accordance with ASC 350, *Intangibles - Goodwill and Other* (Previously SFAS No.142), the Company tests goodwill, if any, for impairment at least annually, or more frequently if events or changes in circumstances indicate that this asset may be impaired.

ASC 350 also requires that intangible assets with definite lives be amortized over their estimated useful lives and reviewed for impairment whenever events or changes in circumstances indicate an asset's carrying value may not be reasonable in accordance with ASC 360, *Property, Plant and Equipment* (Previously SFAS No.144).

Legal Costs

Legal costs are expensed as incurred.

Discontinued Operations

The Company's discontinued operations include Orpheus Capital, LLC, through the date that it was sold on February 8th, 2013. Discontinued operations also include the financial results and cumulative deficit of Totalpost Services, Inc. as of the date of its sale on February 20, 2015, as well as the gain related to the disposition of Totalpost Services, Inc. The Company followed guidelines set forth in ASC 205-20, *Presentation of Financial Statements, Discontinued Operations*. The Accumulated deficit of Discontinued Operations as of December 31, 2021 was \$3,761,729.

Gains on Real Estate Sales

Gains on disposition of properties are recognized using the full accrual method in accordance with the provisions of ASC 360-20, *Real Estate Sales* (Previously SFAS No.66), provided that various criteria relating to the terms of sale and any subsequent involvement by the Company with the properties sold are met.

Advertising and Promotional Expenses

Advertising and promotional costs are expensed as incurred.

Stock-based Compensation

In December 2004, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards ("SFAS") No. 123 (revised 2004), *Share-based Payment* ("SFAS 123R"), that addresses the accounting for share-based payment transactions in which an enterprise receives employee services in

exchange for equity instruments of the enterprise or liabilities that are based on the fair value of the enterprise's equity instruments or that may be settled by the issuance of such equity instruments. SFAS 123R eliminates the ability to account for share-based compensation transactions using the intrinsic value method under Accounting Principles Board Opinion No.25, Accounting for Stock Issued to Employees ("APB 25"), and it generally requires instead that such transactions be accounted for using a fair-value-based method. This standard is now codified as ASC 718, *Compensation - Stock Compensation*.

Liquidity

As shown in the accompanying financial statements, the Company has incurred a net loss from continuing operations of \$560,430 for the period ended December 31, 2021. The accumulated deficit from current operations not related to discontinued operations is \$6,710,139.

Litigation

The Company may be subject to various claims or threatened lawsuits in the normal course of business. Management believes that the outcome of any such lawsuits would not have a materially adverse effect on the Company's financial position, results of operations or cash flows.

Note B - Commitments and Contingencies Operating

Leases

In February of 2015, Everlert relocated its corporate office to 520 South Grand Ave, Suite 665, Los Angeles, CA 90071 and signed a 5 year lease. The suite is 1,381 square feet and the monthly rent is \$2,762. The Company has an agreement whereby half of the space is rented for

\$1,350 a month on a month-to-month basis. This sub-rental payment is recorded as "Other Income" by the Company on its financial statements. In October 2016, the agreement to rent half of the space terminated and Everlert decided to work out a termination of the 5 year lease and relocate its corporate offices to Hollywood, California. As of December 31, 2016, Everlert remained as a Lessee in its corporate offices located at 520 South Grand Avenue Suite 665 Los Angeles, California. 90071 and in February 2018 relocated its corporate offices to thew' Hollywood at 6250 Hollywood Boulevard, Suite SF, Hollywood, California 90028.

There is no minimum future lease payments as the rent of the suite is paid personally by the officers each month.

Note C - Loans and Notes Payable

Loans and Convertible notes consists of the following at Spetember 30, 2022:

<u>Description</u>	<u>Origination</u>	<u>12/31/22</u>	<u>09/30/23</u>
Promissory Note – Robert Hymers	Various	\$ 13,800	\$ 13,800
Shareholder Loan - Robert Hymers	<u>Various</u>	\$ <u>78,096</u>	\$ <u>78,096</u>
Total Loans		\$ 133,096	\$ 133,096

During 2017, Robert Hymers loaned a cumulative total of \$78,096 by directly paying for company expenses. This note is convertible into common shares of the company at the rate of \$.001 a share.

The company executed a promissory note with Robert Hymers on June 18, 2019 in the amount of \$55,000. The note matured on June 18, 2021.

As of December 31, 2021, Mark Blankenship's accrued compensation was \$1,256,575. This debt is convertible to stock of the company at a rate of \$.0075 a share. Mr. Blankenship has not taken cash compensation and is solely being compensated with stock.

As of December 31, 2020, Robert Hymers' total accrued compensation was \$33,873. This accrued compensation originated from services rendered prior to his termination as an officer in 2015. This debt is convertible to stock of the company at a rate of \$.0075 a share.

As of December 31, 2020, Jennifer Harper's accrued compensation is \$740,0000

Note D-Income Taxes

The Company has adopted Financial Accounting Standard No. 109, ASC 740, *Income Taxes*, which requires the recognition of deferred tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statement or tax returns. Under this method, deferred tax liabilities and assets are determined based on the difference between financial statements and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Temporary differences between taxable income reported for financial reporting purposes and income tax purposes are insignificant.

At September 30, 2020, the Company has available for federal income tax purposes a net operating loss carry forward of approximately \$10,301,867. Such losses may not be fully deductible is due to the significant amounts of non-Cash service costs in the change in ownership rules Under Section 382 of the Internal Revenue Code. The Company has established a valuation allowance for the full tax benefit of the operating loss carryovers due to the uncertainty regarding realization. There is no tax benefit recorded due to this allowance as of December 31, 2018. In addition, there are no uncertain tax positions pursuant to ASC 740.

Note E - Going Concern

The accompanying consolidated statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. As shown in the financial statements since inception through December 31, 2020, the Company incurred a cumulative loss from operations of \$9,821,437; however, it has not maintained profitable operations under its current operation plan. This may indicate that the Company will be unable to continue as a going concern for a reasonable period of time.

The Company's existence is dependent upon management's ability to develop profitable operations. Management anticipates the Company will attain profitable status and improve its liquidity for the continued developing, marketing and selling of its products. The accompanying financial statements do not include any adjustments that might result should the Company be unable to continue as a going concern. If operations and cash flows continue to improve through these efforts, management believes that the Company can continue to operate and achieve profitability. However, no assurance can be given that management's action will result in profitable operation or the resolution of its liquidity problems.

Note F - Net Income (Loss) Per Common Share

The Company computes earnings per share under Accounting Standards Codification (ASC) 260, "Earnings per Share." Net loss per common share is computed by dividing net loss by the weighted average number of shares of common stock and dilutive common stock equivalents outstanding during the year.

Note G - Shareholders' Equity

The authorized capital stock of the Company includes 800,000,000 shares of common stock, par value \$0.001 per share. The holders of the shares: (a) have equal ratable rights to dividends from funds legally available and therefore, when, as, and if declared by the Board of Directors of the Company; (b) are entitled to share ratably in all of the assets of the Company available for distribution upon winding up of the affairs of the Company; and (c) are entitled to one non-cumulative vote per share on all matters on which shareholders may vote at all meetings of shareholders. These securities do not have any of the following rights: (a) cumulative or special voting rights; (b) preemptive rights to purchase new issues of shares; (c) preference as to dividends or interest; (d) preference upon liquidation; or (e) any other special rights or preferences. In addition, the shares are not convertible into any other security. There are no restrictions on dividends under any loan, other financing agreements or otherwise.

On December 17, 2014, by shareholder consent, the Articles of Incorporation were amended to authorize the Corporation's board of directors to have the authority to authorize the issuance of Preferred Stock from time to time in one or more classes or series, and to state in the adopted resolution or resolutions from time to time providing for the issuance thereof. The Board of Directors is authorize whether the class or series shall have voting rights, full or limited, the nature and qualifications, limitations and restrictions on those rights, or whether the class or series will be without voting rights. The number of shares to constitute the class or series and the designation thereof, the preferences and relative, participating, optional or other special rights, if any, and the qualifications, limitations, or restrictions thereof, if any, with respect to any class or series. Whether or not the shares of any class or series shall be redeemable and if redeemable, the redemption price or prices, and the time or times at which, and the terms and conditions upon which, such shares shall be redeemable and the manner of redemption; Whether or not the shares of a class or series shall be subject to the operation of retirement or sinking funds to be applied to the purchase or redemption of such shares for retirement, and if such retirement or sinking funds be established, the amount and the terms and provisions thereof. The dividend rate, whether dividends are payable in cash, stock of the Corporation, or other property,

the conditions upon which and the times when such dividends are payable, the preference to, or the relation to the payment of dividends payable on any other class or classes or series of stock, whether or not such dividend shall be cumulative or noncumulative, and if cumulative, the date or dates from which such dividends shall accumulate. The preferences, if any, and the amounts thereof which the holders of any class or series thereof are entitled to receive upon the voluntary or involuntary dissolution of, or upon any distribution of assets of, the Corporation. Whether or not the shares of any class or series are convertible into, or exchangeable for, the shares of any other class or classes or of any other series of the same or any other class or classes of stock of the Corporation and the conversion price or prices or ratio or ratios or the rate or rates at which such exchange may be made, with such adjustments, if any, as shall be stated and expressed or provided for in such resolution or resolutions and such other rights and provisions with respect to any class or series as the Board of Directors deem advisable. The shares of each class or series of the Preferred Stock may vary from the shares of any other class or series thereof in any respect. The Board of Directors may increase the number of shares of the Preferred Stock designated for any existing class or series by a resolution adding to such class or series authorized and unissued shares of the Preferred Stock not designated for any existing class or series of the Preferred Stock.

Effective February 10, 2015, the Company completed a 1-for-6 reverse stock split of the Company's common stock. The financial statements and footnotes for the quarter year ended March 31, 2018, have been presented on a post-split basis.

On November 4, 2015, Robert Labella executed a subscription agreement with the Company to acquire 250,000,000 common shares of the company at a price of \$0.001 a share in exchange for a \$250,000.00 investment into the company. As of March 31, 2018, Mr. Labella had only transferred a portion of the funds to the Company but reaffirmed his commitment to honor the terms and conditions of the Subscription Agreement. As of the date of this filing on April 14, 2016, the Company has received significant investment funds from Mr. Labella towards his commitment. The Company is entertaining the possibility of increasing the price per a share due to the delay in Mr. Labella's performance on the total capital contribution. However, at the time of this filing, the Company believes that Mr. Labella will perform in full on his obligation. As such, the commitment has been recorded on the balance sheet as a "Subscription Receivable" and as a corresponding increase in Equity. But the total outstanding shares have not been updated to reflect the commitment as there has not been full performance as of the date of this filing and shares have not been issued from treasury. If the total common shares of 250,000,000 were issued and outstanding, the total outstanding common shares of the company would be 356,341,557 and Mr. Labella would have a controlling interest of approximately 76% of the total outstanding common shares. Mr. Labella has represented to the Company that he is not the beneficial owner of any other class of stock of the Company as of the date of this filing. Management believes that this receivable is still collectable and has thus chosen not to write off the receivable as a bad debt.

Dividends

The Company does not currently intend to pay cash dividends. Because the Company does not intend to make cash distributions, potential shareholders would need to sell their shares to realize a return on their investment. There can be no assurances of the projected values of the shares, nor can there be any guarantees of the success of the Company.

A distribution of revenues will be made only when, in the judgment of the Company's board of directors, is in the best interest of the Company's stockholders to do so. The Board of Directors will review, among other things, the financial status of the Company and any future cash needs of the Company in making its decision.