KMA Holding, Inc.
(formerly Macada Holding, Inc.)

Quarterly Financial Statements

Period Ended June 30, 2011

KMA Holdings, Inc.
(formerly Macada Holding, Inc.)
Balance Sheet
June 30, 2011

Cash	$	0
Investment in Lyfetec		824,894
Investment in Bronson Trust		3,600
Arizona Mining Interests		1
Total Other Current Assets		827,895
Fixed Assets		
Computer equipment		300
Total Fixed Assets		300
Other Assets		
Organizational Costs		16,000
Total Other Assets		16,000
Total Assets	$	844,195
Liabilities and Equity		
Current Liabilities		
Salaries and professional fees	$	350,000
Total Other Current Liabilities		213,264
Total Liabilities	$	563,264
Shareholders Equity		
Common Stock	$	427,192
Preferred Stock		2,810
Additional Paid in Capital		1,125,672
Retained Earnings		(1,546,916)
Total Shareholders Equity	$	280,931
Total Liabilities and Shareholders Equity	$	844,195

(the accompanying notes are a material part of these statements)

KMA Holdings, Inc.
(formerly Macada Holding, Inc.)

Income Statement
For the Period Ended June 30, 2011

Revenues	$	0.00
Expenses		
Compensation	$	400,000
Regulatory fees		200
Pink Sheets		5,390
Transfer agents		5,620
State corporation fees		1,000
Postage		235
Internet		686
Office supplies		133
Miscellaneous		
Total Expenses	$	413,264
Net Ordinary Income	$	(413,264)

(the accompanying notes are a material part of these statements)

KMA Holdings, Inc.
(formerly Macada Holdings, Inc.)
Statement of Cash Flows
For the Period Ended June 30, 2011

Operating Activities	
Net Income	(413,264)
Adjustment for change in current assets	224,023
Decrease in accounts payable	(448,736)
Net cash provided by Operating Activities	(188,551)
Net cash provided by Financing Activities	188,551
Net cash increase (decrease) for period	-0-
Cash at beginning beginning of period	-0-
Cash at end of period	-0-

(the accompanying notes are a material part of these statements)

KMA Holdings, Inc.
(formerly Macada Holdings, Inc.)
Statement of Changes in Shareholders Equity
For the Period Ended June 30, 2011

	Common Stock		Preferred		Additional	Accumulated	Total
	Par Value	Shares	Par Value	Shares	Paid in Capital	Deficit	
Balance at December 31, 2010	6,980	69,795,536	1,900	19,000,000	1,555,052	(1,133.652)	214,869
Issuance of Common Stock	420,212	42,330,274,961					
Issuance of Preferred Stock			910	87,000,000			
Net Income (Loss)						(413,264)	
Balance at June 30, 2011	427,192	42,400,070,497	2,810	106,000,000	1,555,052	(1,546,916)	280,931

(the accompanying notes are a material part of these statements)

KMA Holdings, Inc.
(formerly Macada Holdings, Inc.)
Notes to Financial Statements
For the Quarter Ended June 30, 2011

Note 1-Business and Basis of Presentation

<u>There are material inadequacies in the financial statements of KMA Holdings, Inc. due to defalcations by previous management. The financial statements may not be relied upon. An ongoing investigation is still in progress to best protect the shareholders and the assets of the company.</u>

In accordance with Financial Accounting Standards Board Accounting Standards Codification (ASC) ASC 915 Development Stage entities, entities have not commenced planned principal operations or that have planned principle operations but have no significant revenue from such activities are deemed development stage entity. The Company is a development stage entity with a limited operating history. To date, the Company has not generated revenues, and it has incurred net losses since inception. The Company expects its losses to continue and increase as the Company seeks regulatory approval and initiates commercialization activities.

Note 2 – Summary of Significant Accounting Policies

Use of Estimates

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

Cash and Cash Equivalents

The Company considers all highly liquid investments purchased with original maturities of three (3) months or less at purchase to be cash equivalents.

Trade Accounts Receivable

Trade accounts receivable will be recorded at the invoiced amount. The Company will establish an allowance based on its best estimate of the amount of probable credit losses in the Company's existing accounts receivable.

Property, Plant and Equipment

The Company will record property, plant and equipment and lease hold improvements at historical cost. Expenditures for maintenance and repairs will be charged to expense, additions and improvements will be capitalized. The Company will provide for depreciation using the straight-line method at rates that approximate the estimated useful live of the assets. Leasehold improvements will be amortized on a straight-line basis over the shorter of the useful life or the improvement or the remaining term of the lease.

Intangible Assets

The Company adopted the provisions of ASC 350, Intangibles – Goodwill and Other. Pursuant to ASC 350, goodwill and intangible assets acquired in a purchase business combination and determined to have indefinite lives and licenses acquired with no definite term will not be amortized, but instead will be tested for impairment at least annually in accordance with the provisions of this Statement. Identifiable intangibles with estimated useful lives will be amortized over their respective estimated useful lives and reviewed for impairment in accordance with ASC 360-10-35, Impairment or Disposal of Long-Lived Assets.

Advertising Costs

Advertising costs are expensed when incurred.

Income Taxes

The Company accounts for income taxes in accordance with ASC 740, Income Taxes ("ASC 740"). Under this method, deferred income taxes are determined based on the estimated future tax effects of differences between the financial statement and tax basis of assets of assets and liabilities given the provisions of enacted tax laws. Deferred income tax provisions and benefits are based on change to the assets or liabilities from year to year. In providing for deferred taxes, the Company considers tax regulations of the jurisdictions in which it operates, estimates of future taxable income, and available tax planning strategies. If tax regulations, operating results or ability to implement tax-planning strategies vary, adjustments to the carrying value of deferred tax assets and liabilities may be required. Valuation allowances are recorded to deferred tax assets based on the more-likely –than-not criteria of ASC 740.

ASC 740 requires the recognition of the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the “more-likely-than-not” threshold, the amount recognized in the financial statements is the largest benefit that has a 50% likelihood of being realized upon ultimate settlement with the relevant tax authority.

Revenue Recognition

It is the Company’s policy that revenue will be recognized when pervasive evidence of an arrangement exists, delivery has occurred (or service has been performed), the sales price is fixed and determinable, and collectability is reasonably assured.

Research and Development

Research and development costs and any costs associated with internally developed patents, formulas or other proprietary technology are expensed as incurred.

Long-Lived Assets

The Company will review its long-lived assets, including tangibles, for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Events relating to recoverability may include significant unfavorable changes in business conditions, recurring losses or a forecasted inability to achieve breakeven operating results over an extended period. The Company will evaluate the recoverability of long-lived assets based upon forecasted undiscounted cash flows. Should an impairment in value of intangible assets will be adjusted based on estimates of future discounted cash flows resulting from the use and ultimate disposition of assets.

Stock-Based Compensation

The Company will account for share-based payments in accordance with ASC 718, Stock Compensation (“ASC 718”), which requires the measurement and recognition of compensation expense for all share hold based payment awards made to employees, officers, directors, and consultants, including employee stock options based on estimated fair values. ASC 718 requires companies to estimate the fair value of share-based payment awards on the date of grant using an option pricing model. The value of the portion of award that is ultimately expected to vest is recognized as expense over the required service period in the Company's Statement of Operations. Stock –based compensation is based on awards ultimately expected to vest and is reduced for estimated forfeitures. ASC 718 requires forfeitures to be estimated at the time of grant and revised, as necessary, in subsequent periods if actual forfeitures differ from those estimates. For purposes of determining estimated fair value of share-based payment awards on the date of the grant under ASC 718, the Company plans to use the Black-Scholes option-pricing model.

Recently Issued Accounting Pronouncements

In Mat 2009, the Financial Accounting Standards Board issued ASC 855. Subsequent Events which established general standards of accounting for and disclosure of events that occur after the balance sheet date but before financial statements are issued or are available to be issued. Recognized subsequent events should be recognized in the financial statements since the condition existed at the date of the balance sheet. Non-recognized subsequent events are not recognized in the financial statements since the condition arose after the balance sheet date but before the financial statements are issued or are available to be issued. This Standard, which includes a required disclosure of the date through which an entity has evaluated subsequent events, is effective for interim or annual periods ending after June 15, 2009.

Note 3 – Income Taxes

The Company evaluates its ability to realize its deferred assets each period and adjusts the amount of its valuation allowance, if necessary. If there is an ownership change as defined under Internal Revenue Code Section 382, the use of operating loss and credit carry-forwards may be subject to limitation on use. ASC 740 requires that a valuation allowance be established when it is more likely than not that all or a portion of a deferred tax asset will not be realized. A review of all positive and negative evidence needs to be considered, including current and past performance, the market environment in which the Company operates, the utilization of past tax credits and the length of carry-back and carry –forward periods. Forming a conclusion that valuation allowance is not needed is difficult when there is negative objective evidence such as cumulative losses. Cumulative losses weigh heavily in the overall assessment. The Company has applied a valuation 100% valuation allowance against its net deferred tax assets as of

December 31, 2010.

The Company's loss before income tax is comprised entirely of operations in the United States. The effective tax rate of 0% differs from the statutory United States federal income tax rate of 35% due primarily to the valuation allowance.

Note 4 – Liquidity and Going Concern

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States, which contemplate continuation as a going concern. The Company is a development stage corporation, has incurred operating losses since inception. There can be no assurance that the Company will be able to generate positive cash flow to fund its operations in the future or to pursue its strategic alternatives. To date the Company has financed its development stage operations primarily through the sale of common stock, advances affiliates and deferral in payment of salaries. The Company has developed and is continuing to strive to implement an operating plan intended to eventually achieve sustainable profitability and positive cash flow from its operations. Key components of this plan include generating revenue and cash flows to be derived from production and controlling costs.

Note 5 – Commitments and Contingencies

Classification of Employees as Independent Contractors

The Company has contracts with certain individuals as service providers. Since these individuals are regarded as independent contractors, the Company does not withhold federal or state income taxes, make federal or state unemployment tax payments or provide workers compensation insurance with respect to such independent contractors. The Company believes' that this classification of these individuals as independent contractors is proper for federal tax purposes.

Should the IRS determine that reclassification is required, such reclassification may have a material impact on the Company's operating results.

Distribution Agreements

The Company has entered into certain distribution agreements to market and sell its products.

Note 6 – Material Events

During the six month period ended June 30, 2011, there were several material events that occurred in the course of reorganizing the Company.

Name Change

The Company changed its name from Macada Holding, Inc. to KMA Holdings, Inc.

Incorporation

The Company changed it corporate domicile from Nevada to Wyoming and amended its articles of incorporation to authorize additional shares of common and preferred stock, and to adopt anti-takeover and other provisions.

Common Stock

The Company performed a 1,000 to one reverse split of its Common Stock. An additional 4,200,000,000 shares were issued thereafter.

Preferred Stock

The Company authorized new classes of preferred stock. The terms of the Company's preferred stock are summarized in the following table:

Class of Preferred	Series O Preferred Stock	Series A Preferred	Series B Preferred	Series C Preferred	Series S Preferred
Shares authorized	100,000,000	100,000,000	50,000,000	20,000,000	20,000,000
Shares issued on June 30, 2011	19,000,000	75,000,000	12,000,000	0	0
Dividend rights	No	No	No	No	No

Shares of Common on conversion	1	1	1	1	1
Liquidation rights	As common	As common	As common	As common	As common
Voting rights per share	20	50	20	1	1