



**WIALAN TECHNOLOGIES, INC.**

**ANNUAL REPORT**

**DECEMBER 31, 2013**

# Wialan Technologies, Inc.

## OTC Pink Basic Disclosure Guidelines

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

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

Current Name: **Wialan Technologies, Inc. as of January 22, 2014**

Former Name: **American Community Development Group, Inc. as of February 5, 2010**

Former Name: **Rockbands, Inc. as of April 02, 2008**

Former Name: **DTI, Incorporated as of April 27, 1987**

Former Name: **Incorporated as Fortsbridge, Ltd. on February 25, 1985**

**Taxpayer ID #: 26-3092712**

### 2) Address of the issuer's principal executive offices

#### Company Headquarters

**10273 NW 45th Street**

**Sunrise, Florida 33351**

Phone: 954.749.3481

Email: [partners@wialan.com](mailto:partners@wialan.com)

Website(s) : [www.wialan.com](http://www.wialan.com)

#### IR Contact

Address 1: N/A

### 3) Security Information

Trading Symbol: **WLAN ( from January 22, 2014); ACYD to January 21, 2014**

Exact title and class of securities outstanding: common shares

CUSIP : **96685A107** (from January 22,2014 )

**025221102** (to January 21, 2014)

Par or Stated Value: **\$ 0.0001**

Total shares authorized : **3 500,000,000** as of: December 31, 2013

Total shares outstanding **2,533,333,333** as of: December 31, 2013

Additional class of securities (if necessary):

Trading Symbol:

Exact title and class of securities outstanding : preferred shares :

Par or Stated Value: **\$ 0.0001**

Total shares authorized: **75,000,000** as of:December 31 2013

Total shares outstanding: **0** as of December 31,2013

#### Transfer Agent

Name: **ClearTrust, LLC**

16540 Pointe Village Drive

Suite 206

Lutz, Florida 33558

Phone: 813.235.4490

Is the Transfer Agent registered under the Exchange Act?\* Yes: **X** No:

\*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any restrictions on the transfer of security: **None**

Describe any trading suspension orders issued by the SEC in the past 12 months. **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: **On July 26, 2013 the Company increased its authorized common share amount to 3,500,000,000 shares. Additionally, the Company merged with Wialan Technologies LLC on August 28, 2013.**

#### **4) Issuance History**

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of equity 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, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities.

##### **Calendar 2012**

During the first quarter of 2012, there was a partial conversion of principal and accrued interest totaling \$ 41,759 into the Company's common stock relating to a convertible note originally issued for \$300,000 on March 28, 2009. This partial conversion resulted in the exchange and issuance of 28,606,371 unrestricted shares of the Company's common stock. Also during the first quarter of 2012, there was a partial conversion of principal of \$ 18,000 into the Company's common stock relating to a convertible zero interest note originally issued for \$25,000 on January 12, 2012. This partial conversion resulted in the exchange and issuance of 10,495,175 restricted shares of the Company's common stock. Further, during the first quarter of 2012, the Issuer sold to Vincent Koehler 2,750,000 shares of Common Stock for \$20,000 at an offering and sales price of \$ 0.00727 per shares for a total sale of 2,750,000 shares of Common Stock and proceeds of \$20,000. The Issuer relied upon Section 4(2) of the Securities Act and the relevant state exemption for isolated and limited sales in the State New York General Business Law, Article 23-A, Section 352-g. Reliance was based upon the following factors: (a) the issuance of the securities was an isolated private transaction by us which did not involve a public offering and no advertising or general solicitation was used; (b) there were only a limited number of offerees; who were previously known to us and our affiliates; (c) there were no subsequent or contemporaneous public offerings of the securities by the Issuer; (d) the securities were not broken down into smaller denominations; and (e) the negotiations for the sale of the stock took place directly between the offeree and the Issuer, and (f) the securities bear a restrictive legend and the transfer agent was notified of the restriction. The securities are non-trading.

During the second quarter of 2012, the original \$300,000 note that was convertible to the Company's common stock was partially converted. \$7,567 of the note and unpaid interest were converted in exchange for 13,142,423 unrestricted shares of the Company's common stock. This loan originated on March 28, 2008. Also during the second quarter of 2012, the original \$25,000 note that was convertible to the Company's common stock was converted in total. The \$21,688 remaining note and unpaid interest were converted in exchange for 12,859,694 unrestricted shares of the Company's common stock. This loan originated on March 30, 2011.

During the second quarter of 2012, the original \$25,000 zero interest note that was convertible to the Company's common stock was partially converted. \$9,500 of the note was converted in exchange for 13,571,429 restricted shares of the Company's common stock, issued with a restrictive legend as non-trading. This loan originated on January 12, 2012.

Further, during the second quarter of 2012, the Issuer sold 24,400,000 shares of Common Stock for \$50,000 at an offering and sales price of \$0.00205 per shares for a total sale of 24,400,000 shares of Common Stock and proceeds of \$50,000. The Issuer relied upon Rule 504 exempt offering under the Securities Act of 1933 and filed Form D via EDGAR to the Securities and Exchange Commission.

Further, during the second quarter of 2012, 1,010,101 restricted shares of the Issuer's common stock were issued for corporate services rendered. The certificates contain a restrictive legend stating the shares have not been registered under the Securities Act and setting forth the restrictions on transferability. The 1,010,101 shares were issued to Brant Doell, then a Director.

During the third quarter of 2012, the original \$300,000 note that was convertible to the Company's common stock was partially converted. \$62,962 of the note and unpaid interest were converted in exchange for 39,719,017 unrestricted shares of the Company's common stock. This loan originated on March 28, 2008. Also, during the third quarter of 2012, the original \$70,000 note that was convertible to the Company's common stock was partially converted. \$32,101 of the note and unpaid interest were converted in exchange for 29,862,058 unrestricted shares of the Company's common stock. This loan originated on November 10, 2009.

Further, during the third quarter of 2012, a \$25,000 portion of the original \$70,000 note that was convertible to the Company's common stock was assigned on July 18, 2012 and was partially converted. \$16,000 of the note and unpaid interest was converted in exchange for 17,956,656 unrestricted shares of the Company's common stock. The original \$70,000 loan was originated on November 10, 2009.

Further, during the third quarter of 2012, 934,579 restricted shares of the Issuer's common stock were issued for corporate services rendered. The certificates contain a restrictive legend stating the shares have not been registered under the Securities Act and setting forth the restrictions on transferability. The 934,579 shares were issued to Brant Doell, Director.

During the fourth quarter of 2012, the original \$300,000 note that was convertible to the Company's common stock was partially converted. During the fourth quarter of 2012, a \$25,000 portion of the original \$70,000 note that was convertible to the Company's common stock was assigned on July 18, 2012 and was partially converted. \$5,000 of the note and unpaid interest was converted in exchange for 12,500,000 unrestricted shares of the Company's common stock. The original \$70,000 loan was originated on November 10, 2009. Also, during the fourth quarter of 2012, a \$20,899 portion of the original \$70,000 note that was convertible to the Company's common stock was assigned on September 5, 2012 and was partially converted. \$7,800 of the note and unpaid interest was converted in exchange for 19,500,000 unrestricted shares of the Company's common stock. The original \$70,000 loan was originated on November 10, 2009.

Further, during the fourth quarter of 2012, the Issuer sold 27,200,000 shares of Common Stock for \$15,000 at an offering and sales price of \$0.00055 per shares for a total sale of 27,200,000 shares of Common Stock and proceeds of \$15,000. The Issuer relied upon Rule 504 exempt offering under the Securities Act of 1933 for the previously filed Form D via EDGAR to the Securities and Exchange Commission.

### **Calendar 2013**

During the second quarter of 2013 40,000,000 shares of Company's common stock were issued to ACAP. The original \$70,000 note that was convertible to the Company's common stock was partially converted. \$13,099 of the note and unpaid interest were converted in exchange for 40,000,000 unrestricted shares of the Company's common stock. \$7,099 of the note was issued to Primary Finance Lie. To converted in exchange for 13,333,333 unrestricted shares of the Company's common stock. This loan originated on November 10, 2009. Also, during the second quarter of 2013, 32,000,000 shares of Company's common stock were issued to DB Capital Corp. This note was for \$25,000.

Further, during the second quarter of 2013, 20,000,000 shares of Company's common stock were issued to Equitas Group Inc. These shares were for Money loaned to ACYD.

Further during the second quarter of 2013, 11,000,000 shares of Company's common stock were issued to Benjamin Petitti, on behalf of his spouse, Morgan E. Petitti, for legal services rendered.

Also, during the second quarter of 2013, Mr. Gray and Mr. Doell were no longer Directors.

During the third quarter of 2013, 37,500,000 shares of Company's common stock were issued to JSJ Investments for the balance of the \$25,000. Also during the third quarter of 2013 9,090,909 shares of Company's common stock were issued to DB Capital Corp. This note was for \$5,000. 4,166,666 shares of Company's common stock were issued to DB Capital Corp. This note was for \$2,500. Also, during the third quarter of 2013, 20,000,000 shares of Company's common stock were issued to Southbridge Advisory Group, Inc. These Shares were for money loaned to the Company..

On August 28, 2013 Wialan Technology , LLC merged into the Company. In conjunction with this merger, on August 28, 2013 the Company issued 1,900,000,000 common shares to the owners of Wialan Technology, LLC as consideration for the acquisition.

Also on August 28, 2013 the Company issued 109,709,888 common shares to The New Renaissance Group, Inc., which is majority owned by former ACYD President and CEO John Folger, in part in settlement of Mr. Folger's prior services for the Company

## 5) Financial Statements

Provide the financial statements described below for the most recent fiscal year end or quarter end to maintain qualification for the OTC Pink Current Information tier. For the initial disclosure statement (qualifying for Current Information for the first time) please provide reports for the two previous fiscal years and any interim periods.

- A. Balance sheet;
- B. Statement of income;
- C. Statement of cash flows;
- D. Financial notes;

The financial statements requested pursuant to this item shall be prepared in accordance with US GAAP by persons with sufficient financial skills. You may either (i) attach/append the financial statements to this disclosure statement or (ii) post such financial statements through the OTC Disclosure & News Service as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial reports separately as described in part (ii) above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to otcq.com in the field below.

**The financial statements and footnotes as of December 31, 2013 are incorporated herein by reference.**

Information contained in a Financial Report is considered current until the due date for the subsequent Financial Report. To remain in the OTC Pink Current Information tier, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of its fiscal quarter-end date.

## 6) Describe the Issuer's Business, Products and Services

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

- A. a description of the issuer's business operations;

**Until the August 28, 2013 merger with Wialam Technologies, LLC, the Company was focused on creating and sponsoring affordable and transitional housing and job creation programs for the nonprofit community, specifically on the Florida West Coast. Following the merger, the Company is now primarily operating as a wi-fi telecommunication provider.**

- B. Date and State (or Jurisdiction) of

Incorporation: **February 25, 1985 in the State of**

**Delaware**

- C. . the issuer's primary and secondary SIC

Codes; **7385 – Services – Telephone**

**Interconnect Systems**

- D. the issuer's fiscal year end

date; **December 31**

E. principal products or services, and their

markets; **Wireless internet products**

## **7) Describe the 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.

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

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

**The issuer leases 2,000 square feet of offices and warehouse space at 10273 NW 46 Street in Sunrise FL. The Company has maintained this location since approximately 2007 at a rental rate of \$1,687 per month. The Company recently added about 1,800 square feet of Executive office space at 4707 W Gandy Blvd in Tampa FL that it rents for \$1,000 per month.**

## **8) Officers, Directors, and Control Persons**

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 shareholders.

A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

- **John Folger served as President and CEO until August 28, 2013**
- **Timothy P. Peabody served as President, CEO and Director until November 14, 2013**
- **Mitchell Freifeld serves as Interim President and CEO as of November 15, 2013 (Note: Mr. Freifeld has tendered his resignation effective March 31, 2014)**
- **Victor Tapia: serves as Vice-President and Director**
- **Alan J. Bailey serves as CFO and Director (from January 21, 2014)**

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five 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

**None**

4. securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated;

**None**

5. 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**

c. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

<b>Vicana T, LLC</b>	<b>736,000,000 common shares ( 29%)</b>
<b>Shamrock Investment Trust</b>	<b>470,000,000 common shares ( 18.5%)</b>
<b>Investment Properties Revocable Trust</b>	<b>380,000,000 common shares ( 15%)</b>
	<b>(Total together as a group: 62.5%)</b>

The address of Vicana T, LLC is 6780 SW 185<sup>th</sup> Way, Southwest Ranches, FL 33332 and the underlying beneficial owner is Victor Tapia (the Company's VP and Director)

The address of Shamrock Investment Trust is c/o Timothy P. Peabody Trustee, 620 Newport Center Drive, Ste 1100, Newport Beach, CA 92660 and the underlying beneficial owner is Timothy Peabody, Esq (the Company's former CEO)

The address of Investment Properties Revocable Trust is 2901 Rigsby Lane, Safety Harbor, FL 34695 and the underlying beneficial owner is Mike Connor (the Company's special advisor).

## **9) Third Party Providers**

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

### Legal Counsel

Name: **Morgan E. Petitti,**

**Esq.**

Firm: Address

**114 Barrington Town  
Square**

**Suite 159**

**Aurora, OH, 44202**

Phone: **330.697.8548**

Email: **petittilaw@gmail.com**

### Accountant or Auditor

Name: **None**

Address 1:

Address 2:

**Phone:**

Email:



Investor Relations Consultant

**None**

Name:

Firm:

Address 1:

Address 2:

Phone:

Email:

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

**None**

Name:

Firm:

Address 1:

Address 2:

Phone:

Email:

**10) Issuer Certification**

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).

The certifications shall follow the format below:

I, Victor Tapia certify that:

1. I have reviewed this annual disclosure statement of Wialan Technologies, 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.

[Date] March 21, 2014

/s/ **Victor Tapia** (VP's Signature)

/s/ **Alan J. Bailey** (CFO's Signature)

**WIALAN TECHNOLOGIES, INC.**  
**(FORMERLY AMERICAN COMMUNITY DEVELOPMENT GROUP, INC.)**

**CONSOLIDATED FINANCIAL STATEMENTS**  
**AS AT DECEMBER 31, 2013**  
**(Unaudited)**



WIALAN TECHNOLOGIES, INC.  
*(Formerly American Community Development Group Inc.)*  
**CONSOLIDATED BALANCE SHEETS**  
AS OF DECEMBER 31, 2013 AND DECEMBER 31, 2012  
(Unaudited)

Assets	<u>December 31, 2013</u>	<u>December 31, 2012</u>
Current assets		
Cash	\$ 58,433	\$ -
Accounts receivable	5,000	17,000
Due from stockholder	120,000	-
Inventory of parts, at cost	103,230	-
Other	<u>-</u>	<u>74</u>
Total current assets	286,663	17,074
Fixed assets, less accumulated depreciation	28,395	5,108
Goodwill	<u>1,506,614</u>	<u>-</u>
<u>Total assets</u>	<u>\$ 1,821,672</u>	<u>\$ 22,182</u>
Liabilities and stockholders' equity (deficit)		
Current liabilities		
Accounts payable and accrued expenses	\$ 333,273	\$ 327,781
Short-term notes payable	<u>45,000</u>	<u>147,767</u>
Total current liabilities	<u>378,273</u>	<u>475,548</u>
Stockholders' equity (deficit)		
Preferred stock, 75,000,000 shares authorized of \$ 0.0001 par value, none issued or outstanding	-	-
Common stock, 3,500,000,000 shares authorized of \$0.0001 par value, 2,533,333,333 and 336,532,537 issued and outstanding as of December 31, 2013 and December 31, 2012, respectively	253,333	33,653
Additional paid in capital	3,918,499	1,964,082
Treasury stock	(13,100)	(13,100)
Accumulated deficit	<u>(2,715,333)</u>	<u>(2,438,001)</u>
Net stockholders' equity (deficit)	<u>1,443,399</u>	<u>(453,366)</u>
<u>Total liabilities and stockholders' equity</u>	<u>\$ 1,821,672</u>	<u>\$ 22,182</u>

The accompanying notes are an integral part of these financial statements

WIALAN TECHNOLOGIES, INC.  
*(Formerly American Community Development Group Inc.)*  
CONSOLIDATED STATEMENT OF OPERATIONS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013 AND 2012  
(Unaudited)

	<u>12 Months Ended December 31, 2013</u>	<u>12 Months Ended December 31, 2012</u>
Revenue		
Product sales and services	\$ 20,174	\$ -
Cost of sales	<u>(16,346)</u>	<u>-</u>
Gross margin	3,828	-
Property rental and other income	<u>8,000</u>	<u>50,613</u>
	<u>11,828</u>	<u>50,613</u>
Operating expenses		
Operating, general & administrative	268,749	465,711
Depreciation	<u>4,142</u>	<u>61,229</u>
	<u>272,891</u>	<u>526,940</u>
Operating loss	<u>(261,063)</u>	<u>(476,328)</u>
Other income (expense)		
Interest	(16,601)	(40,424)
Other	<u>334</u>	<u>93,287</u>
	<u>(16,267)</u>	<u>52,863</u>
Net loss	<u>\$(277,330)</u>	<u>\$ (423,464)</u>
Net loss per share	<u>\$ (0.0002)</u>	<u>\$ (0.0013)</u>
Weighted average shares	<u>1,107,345,000</u>	<u>336,532,537</u>

The accompanying notes are an integral part of these financial statements

WIALAN TECHNOLOGIES, INC.  
*(Formerly American Community Development Group Inc.)*  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2013  
(Unaudited)

	<u>12 Months Ended December 31, 2013</u>	<u>12 Months Ended December 31, 2012</u>
Cash flow provided by (used in) operating activities:		
Net loss	\$ (277,330)	\$ (423,464)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	4,142	61,229
Net increase in operating assets and liabilities	303,715	209,434
Stock used to settle employee compensation	<u>109,710</u>	<u>-</u>
Net cash provided by (used in) operating activities	\$ <u>140,237</u>	\$ <u>(152,801)</u>
 Cash flow from (used by) financing activities		
Proceeds from ( repayments of) debt financing	(102,767)	(166,196)
Proceeds from stock issuances	274,097	315,235
Increase in fixed assets	<u>27,340</u>	<u>-</u>
	<u>198,670</u>	<u>149,039</u>
 Net increase (decrease) in cash	58,433	( 3,762)
 Cash, beginning of period	<u>-</u>	<u>3,762</u>
 Cash, end of period	\$ <u><u>58,433</u></u>	\$ <u><u>0</u></u>

Supplemental disclosure of cash flow information:

Stock issued to acquire Wialan Technologies, LLC	\$ <u>1,900,000</u>	
Cash paid during the period for interest		<u>\$ 41,774</u>

The accompanying notes are an integral part of these financial statements

**WIALAN TECHNOLOGIES, INC.**  
*(Formerly American Community Development Group Inc.)*  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2013**  
(Unaudited)

**NOTE A - NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Activities:**

Wialan Technologies, Inc. (formerly American Community Development Group, Inc or “ACYD”), the “Issuer,” or “Company” originally incorporated in the State of Delaware on February 25, 1985 under the name Fortsbridge, Ltd. (“Fortsbridge”), a business involved in investing in various companies. The Company was a Reporting Issuer subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act until November 17, 1989, when it filed a Form 15-12G with the Commission.

On April 27, 1987, the Issuer effected a corporate name change to DTI, Incorporated as the result of the Issuer purchasing the assets of DTI, Inc., a discount travel business. On May 29, 2008, the Issuer merged with Rockbands, LLC (acquiring 100% of the shareholders’ equity), a jewelry based entity incorporated in the State of Florida in January, 2007, involving the exchange of 180,000,000 restricted shares of the Issuer’s common stock. At this time, the Issuer modified its business plan to that of Rockbands, LLC, acquired the assets of Rockbands, LLC, and spun off the assets of DTI, Incorporated to Airport Road Associates One, LLC. Simultaneously, control of the Issuer was transferred from DTI, Incorporated to the shareholders of Rockbands, LLC and the Issuer subsequently effected a corporate name change to Rockbands, Inc. (“Rockbands”). However, in the fourth quarter of 2009, the Issuer concluded that capital requirements needed for the Issuer to remain in business would not be satisfied any longer solely through the sale of its “RockBands” products, and that it needed to consider other avenues for generating revenue. The Issuer decided to make a radical change to its business plan and divested itself of the business and assets of Rockbands, and acquired a business line that would make available potential business opportunities and capital to the Issuer. The business plan was revamped to involve the development, acquisition, ownership and operation of low cost housing for specialty classifications of individuals and the indigent and financially challenged and this remained the main business plan of ACYD until August 28, 2013.

Control of the Issuer was changed and transferred on December 31, 2009 to American Community Development Corporation, a State of Florida entity, and the Issuer subsequently effected a corporate name change to American Community Development Group, Inc. on February 5, 2010. The transfer involved 9,000,000 restricted shares of the Issuer’s common stock being issued to the shareholders of ACYD. Effective October 1, 2009 to date, ACYD has operated as a for-profit, real estate acquisition company that creates and sponsors affordable and transitional housing and job creation programs for the nonprofit community. ACYD’s target market was focused on the Florida West Coast with the desire to expand to other regions throughout the United States of America. In order to provide services to those individuals that are less fortunate, ACYD offered consulting, debt and equity financing, investment banking, social services, business and financial planning, grant writing, marketing and donor development programs to the nonprofit community and other agencies and entities.

Overall, ACYD acted as a financial bridge between traditional public/private financing and the desperate needs of nonprofits and their constituents.

On August 28, 2013 ACYD acquired all of the assets and business operations of Wialan Technologies, LLC (“Wialan”), through the execution of an Acquisition Agreement and Plan of Merger, as a business combination and tax-free reorganization. The terms of this Agreement required, as consideration for the acquisition, the issuance to the owners of Wialan a total of 1.9 billion common shares of ACYD, having a market value at August 28, 2013 of \$ 1,900,000. Effective that date, John Folger resigned as President, CEO and Director and Victor Tapia was appointed Vice President, Secretary and Director. Wialan Technologies, LLC is a limited liability company formed in the State of Florida on April 6, 2011. The company’s business focus is the manufacturing, marketing and installation of industrial wireless access equipment (WiFi Access Points) for the corporate owners of apartment complexes, marinas, shopping centers, municipal parks, RV parks, airports, hotels and resorts, as well as for major communication companies.

As part of the Plan of Merger, management anticipated the “spin-out” of the ACYD assets and liabilities within the following 12 months, to leave only the assets, liabilities and the operating business of Wialan. The name of the Company was changed Wialan Technologies, Inc. on January 22, 2014 and its trading symbol was changed to WLAN

**Explanation of Wialan’s business operations:**

Wialan’s product offerings are positioned as cost-effective, reliable, operational solutions to the current and future needs of the wireless market. Its initial product offerings include the WIALAN Wi-Gate Wireless Broadband Gateway - a Wi-Fi compatible access point that includes support for 128bit MPPE encryption, access lists, security enabling users to protect their wireless network by either encrypting the data or by specifying the address of a wireless adapter before allowing it access to the Ethernet network.

Wialan's product lines includes, but are not limited to, the following:

**a) Wi Gate Access Point Routers Series**

The **WIALAN Wi Gate Series of Wireless Broadband Gateways** features high performance 802.11a/b/g/n (with 802.11a for the unlicensed 5Ghz band and the licensed 4.9Ghz public safety band) wireless access points, for local wireless connections, and a Ethernet (auto detect) WAN port for integration to private or public networks with or without Internet access, which physically separates the local computers from the broadband network. The Access Point can be configured either as a router, which add a layer of firewall security for the private network, or as a bridge, for simple private network extension deployments.

Major benefits include:

- Supporting any wireless 802.11a/b/g/n compatible device;
- Indoor and outdoor versions to suit the needs of very large outdoor deployments such as Town Centers, parks, marinas, etc; and indoor deployment such as office buildings, hotels and many other applications,
- A robust web-based management system that allows local or remote users to configure the Gateway from any device that can run a web browser;
- In Router mode, very easy WAN configuration via DHCP or static address configuration;
- In Router mode, it provides Industry standard network self configuration tools such as NAT (Network Address Translation) which ensures the sharing of a single IP Address with many computers in your network and the logical firewall network isolation this entails, and DHCP (Dynamic Host Control Protocol);
- Bandwidth managing, through QOS or Bandwidth Shaping, which guarantees performance for Special Internet Applications such as Voice over IP (VOIP), video streaming, Virtual Private Networks (VPNs) and on-line games, that require two-way secure communications and stable bandwidth allocation;
- Built-in VPN Server with 128bit hardware accelerated MPPE encryption and MS-Chap-v2 user Authentication;
- Firewall protection;
- Allows filtering of Internet content to either a single computer or a work group;
- Port mapping, which allows the redirecting of IP ports for the provisioning of Virtual Servers, which enable users to install a web, email or other TCP/IP based server on the local network and have it accessible from the Internet;
- In Bridge mode, it works as a transparent switch between the client connected to it and either a router or another bridge or the main base.

**b) Wialan's Luma Series of Smart Lights with Wi Fi and video surveillance**

**Wi Gates Luma Series** is a single cost efficient solution for multiple problems.

- Super LED illumination, optimal light spreading



- 65% Electricity saving
- Wireless remote control
- Wireless internet (Wi Fi)
- Cameras for video security
- Blending in with the structure for an aesthetic look
- In Bridge mode, it works as a transparent switch between the client connected with either a router, another bridge or the main base. .

Wi Fi capability allows the Wi Gates Luma Series to be not only remote controlled but also able to distribute internet and/or intranet signals throughout the community.

#### **c) Wi Gate Video Security Network**

Wialan Technologies High Speed Access Points and Broadband Gateway is a perfect match for Hi Definition IP video cameras.

The Wi-Fi Security Network provides customers with Wi-Fi connectivity coupled with 24/7 HD live stream video connectivity via a phone app or on-site server. This network platform provides marinas, parks and other commercial clients with wireless connection to the Internet as well as 24/7 monitoring of customer facilities.

#### **d) Public Announcement Wireless Early Warning System (PAWEWS)**

The PAWEWS relates to a beach public address wireless early warning system with high definition cameras and wireless internet right at the sand, which uses Internet Protocol and/or wireless frequencies to alert beach goers of a potential hazard, the warning could come from a base station (it can be a headquarters of a life guard monitoring body) that monitors remote life guard stations or from any of the manned lifeguard station.

Since lifeguard stations do not normally have AC power, the system was designed using solar energy to provide power for the Wireless PA System (loud speakers), video surveillance cameras and Wi Fi for the surrounded area around the lifeguard stands at the beach.

There is potential for this product to be installed in every beach or campus in the entire USA

#### **e) Municipal Model**

In addition, Wialan has created a “municipal model” which provides Wi-Fi access “platforms” for entire sections of participating municipal and regional county areas. These Wi-Fi platforms are established through placement of Wialan wireless equipment in light fixtures along city streets and other municipal lighting structures (Wialan's LUMA series). The installation of energy efficient LED lights with energy controlling features provided by Wialan’s wireless devices will result in substantial energy savings for municipal governments. Industry experts estimate that municipal governments can save up to 65 -75% in electrical energy costs by implementing the Wialan wireless devices in combination with energy efficient LED lights.

The light Wi-Fi access points can also be combined with security cameras that can provide municipalities with 24/7 video surveillance for selected areas of the municipality. Wialan's 4.9 GHz Security has already been installed in various areas of Miami Dade County, most notably at the Miami Dade OMNI Bus station, Haulover Beach Park, Goulds Park and many other that are on the planning stage of the installation. The Wialan Security equipment installed at the OMNI Bus Terminal is utilized by the county to monitor guest arrivals and departures on county transportation vehicles at that terminal.

In summary, the Wialan Municipal Model can provide the following benefits:

- Each municipal government can manually or automatically remote control all participating lights and light structures throughout the city or region. The Wialan municipal model can provide cities and counties with the ultimate “dimmer switch” which can allow constant monitoring of light emission from municipal light systems.
- Each municipal government can utilize the 4.9 GHz public safety frequency as well as Wi Fi internet access for emergency and police personnel utilizing these frequencies along its streets and roads.
- Each municipal government can stimulate commercial economic development and grow revenues to the city advertising the increased security and the Wi Fi internet platforms over entire city blocks for private and commercial usage
- Each municipal government can use its “wireless city” technology to enhance education and promote tourism and business development in the region.
- Each municipal government can create entire security zones by combining Wialan Wi-Fi equipment with Wialan Security Systems

**f) Marina Model**

Wialan has taken its Wi Fi platform one step further with the incorporation of a high definition (1080p Resolution 1920 X 1080) live stream video camera connection to allows marina owners to have 24/7 viewing of all marina facilities via on-site server or through applications for cell phones. Wialan's plan is to deliver and install its Wi Fi and Wi Gate Security Network all over US marinas.

**g) Existing Installations**

There is a large market all over the world for the wireless solution that Wialan Technologies offers, for example some of the sites already using Wialan Technologies system are:

**i. Miami Dade County**

Since January 2008, the Miami Dade County has been purchasing Wialan Technologies Wireless devices for providing wireless video surveillance and Internet to the needy areas through the County, some of the area includes:

- Goulds Park : Wialan Technologies combination of 4.9 GHz public safety frequency for their wireless video surveillance and a 2.4 GHz Wi Fi for wireless internet provision.
- Haulover Park : 4.9 GHz public safety frequency for wireless video surveillance.
- Bill Bird Marina : 2.4 GHz Wi-Fi system providing wireless Internet to boaters.
- Omni Station : 4.9 GHz public safety frequency for wireless video surveillance
- Cutler Ridge Park : 2.4GHz Wi-Fi system that includes wireless Internet and video surveillance.
- East Ridge retirement community, Wi Fi for the ederly

**ii. Private Marinas**

- Deering Bay - Coral Gables FL
- Cocoplum Marina - Coral Gables FL
- Marina Bay - Fort Lauderdale FL

iii. Apartment Complexes and private properties

- Pinnacle Housing - Pinnacle Grove - Vero Beach FL
- Pembroke Falls Apartments - Pembroke Pines FL
- The Falls Apartments - Fort Lauderdale FL

**h) International Developments**

**Dominican Republic:** On June 26, 2013 Wialan established and registered a 50/50 joint venture in the Dominican Republic with locally based partners called Wialan Technologies Dominicana. In association with Hughes Network Satellite Delivery Systems, Wialan plans to deliver wireless internet, together with its public announcement and video surveillance systems, to initially 300 schools – growing to approximately 2,600 of the 6,000 total schools in the Dominican Republic which do not presently have these types of facilities.

**Haiti:** On July 15, 2013 Wialan established and registered a 50/50 joint venture in Haiti called Wialan Technologies for the sale and deployment of Wialan systems in Haiti. HughesNet has agreed to provide internet connectivity.

In both Dominican Republic and Haiti, the plan is to assemble the Wialan product locally under Wialan's supervision using Wialan's authorized selective components shipped from Wialan's base in the US.

**Brazil:** On August 6, 2013 Wialan established and registered a 50/50 joint venture in Brazil called Wialan Technologies Brazil with local Brazilian partners for the assembly, sale and deployment of Wialan's combined wireless internet, video surveillance and public announcement systems throughout Brazil. (Presently, these systems are being tested in Brazil for compliance with local regulatory compliance.)

Revenues and operating results from the foregoing 50/50 joint ventures are expected to be reflected by Wialan commencing third quarter, 2014

**Venezuela:** Wialan Technologies, Inc. delivered, via an agreement with The United Nations, and supplied 250 Outdoors Access points and 450 CPE devices in Venezuela. The wireless equipment is in use in the country of Venezuela, where the government is providing some areas of the city of Caracas, the capital and the airport with free wireless Internet. These devices have been installed and were put in service in 2005, 2006 and 2007. Since then the devices have continue operating without a failure, which has proven the technology to be easy to use and most of all, very reliable.

**Nicaragua:** Wialan Technologies provides Amnet of Nicaragua with the Wi Gate 300 as a demo for Hot Spots.

**Mexico:** Mexico City and Cancun have both developed wireless technology in many sites, including the Cancun Airport where fourteen million passengers are in transit annually.

**Colombia** has also invested in Wialan's equipment to provide wireless services. Digital Cable System, a cable operator with over one hundred cable ends, has deployed Wialan Technologies Access points to provide wireless services

**(a) Other developments**

- (i) On October 14, 2013 the Company announced the retention of Ruben Alcoba, from Alcoba Law Group, as its patent lawyer and are proud to announce that they filed the first of four new patents. This particular patent is on the revolutionary new Beach Public Address Wireless Early Warning System ("WEWS", Patent Application# 14050516). WEWS is a new product that was developed at the request of various safety and municipal officials from various beach and park management organizations that required a new tool to help maintain the safety of the public.

The unit contains an intelligent Public Address system consisting of a loudspeaker capable of carrying an emergency message across long distances, wireless high resolution Internet Protocol video surveillance equipment, and commercial grade wireless internet capabilities. The device is housed in Wialan Technologies patented hermetically sealed box and can be driven by solar power with a backup battery to ensure functionality even in cloudy weather. The device can be controlled remotely, via laptop, tablet, or cell phone.

The new product was unveiled in September, 2013 in Clearwater Beach, FL to nine municipalities and was exceptionally well received by all of the representatives present. Pinellas and Manatee County were the first to request further demonstrations of the functionality of the device, and Clearwater requested a proposal to cover the entire beach with the system. The remaining six municipalities, including Miami Dade County, expressed interest and are in talks for further demos. Two more demonstrations were held in Coquina Beach, FL and in Haulover Beach, Miami.

- (ii) The Company announced on December 5, 2013 that it had been invited to provide Wi Fi and demonstrate its technology at the 36<sup>th</sup> Annual St. Petersburg Power & Sailboat Show, the largest boat show on the Gulf Coast, on December 5 through December 8. After a very successful demonstration at the 2013 Fort Lauderdale International Boat show, Yachting Promotions, Inc. DBA Show Management invited Wialan to provide Wi Fi at the St. Petersburg show, a feat that has never been successfully accomplished with any other vendor. In addition to Wi Fi, Wialan will be demonstrated its High Definition wireless video surveillance. The Company hopes to continue to work with DBA Show Management and potentially provide Wi Fi services at all their trade shows.

- (iii) On December 12, 2013 the Company entered into a Service Level Agreement with Pinecrest Gardens, Miami, FL., for the ongoing technical support and monitoring service of its wireless network for 6 outdoor access points and 2 indoor access points, with 5 smaller support devices, installed at the Gardens in February, 2013. This service level agreement generates annualized revenue of \$ 4,800.
- (iv) On December 18, 2013 the Company announced that it has successfully installed the newest WiFi Cloud Services System at The Galleon Resort and Marina located in Key West, Florida. The Galleon Resort installation represents Wialan Technologies' sixth marina resort installation in the state of Florida. Wialan installed its own proprietary WG-300-8 Hotspot and WG-300-8-8 Dual Radio outdoor units at various locations around the resort in order to implement Wialan's Cloud Services program. The Cloud Services System first created by Wialan in 2007 provides marinas around the world with first class wireless internet connectivity. In addition, the Cloud Services System provides each customer with video surveillance opportunities; video on demand (Netflix) and WiFi (VOIP) phone capabilities. The Galleon Resort contract provides Wialan Technologies, LLC with \$96,000 of income over the next five years. The marina WiFi marketplace in Florida represents over five thousand (5,000) locations. Nationwide, the marina WiFi marketplace represents over twelve thousand (12,000) marinas.

#### **BASIS FOR THE CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements include the balance sheet, statements of operations and statements of cash flows relating to the operating activities of ACYD, plus the consolidation of the balance sheet and the new operating activities of Wialan Technologies, LLC ("Wialan") from the August 28, 2013 date of acquisition through December 31, 2013. The financial statements are reported on an accrual basis of accounting in accordance with generally accepted accounting principles ("GAAP").

#### **Cash**

Cash consists of demand deposit accounts. The balance of accounts held in financial institutions at December 31, 2013 and 2012 did not exceed FDIC limits

#### **Accounts Receivable, Net**

The accounts receivable are valued at management's estimate of the amount that will ultimately be collected. The amount due from stockholder of \$ 120,000 at December 31, 2013 represents the remaining balance of an original commitment of \$ 300,000 entered into by Mike Connor with Wialan Technologies, LLC for the injection of equity capital into the business against a 20% ownership in Wialan Technologies, LLC. At the August 28, 2013 date of merger, this equity interest was exchanged for 380 million common shares of the Company. The remaining \$ 120,000 investment commitment is due to be paid to the Company at the rate of \$ 24,000 over the first five months of 2014.

**Inventory of parts.**

Inventory of parts is based on a physical inventory count conducted by Management and has been valued at the lower of approximate cost or realizable value.

**Fixed Assets.Net**

Fixed Assets are stated at cost less depreciation. Depreciation is computed over the estimated useful lives of the assets using the straight-line method.

**Goodwill**

Goodwill of \$ 1,506,614 represents the excess of the consideration for the acquisition of Wialan Technologies, LLC by the Company (i.e. 1.9 billion common shares of the Company at a market value of \$ 0.001 per share, or \$ 1,900,000) less the tangible assets acquired, namely the Wialan cash, inventory of parts, accounts receivable and fixed assets at August 29, 2013 totaling \$ 393,386. Management believes that the business footprint established by Wialan in the wi-fi industry since its formation on April 6, 2011 to be significant and that the acquisition consideration was justified.

**Estimates**

In preparing financial statements in accordance with generally accepted accounting principles, management makes estimates and assumptions that affect the reported amounts and disclosures of assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**NOTEB–FIXEDASSETS,NET**

The components of fixed assets and related costs are as follows:

Autos	\$7,900
Less: Accumulated depreciation	<u>(4,649)</u>
	<u>3,251</u>
 Add: Office equipment and furniture	 27,430
Less: Accumulated depreciation	<u>( 2,286)</u>
	<u>25,144</u>
Total, net	<u>\$ 28,395</u>

The amount of depreciation expense expensed for the 12 months ending December 30, 2013 was \$4,142.

**NOTE C – RESEARCH & DEVELOPMENT COSTS**

Research and development costs incurred by Wialan Technologies LLC in developing its proprietary wi-fi technology have been expensed as and when incurred. The Company will continue to adopt this policy.

**NOTE D–NOTES PAYABLE**

Short term notes payable at December 31, 2013 represent short-term obligations totaling \$ 45,000, which is reduction from \$ 147,767 in combined short-term note balances at December 31, 2012.

## **NOTE E - COMMITMENTS AND CONTINGENCIES**

As explained in Note H, the Company and Mr. John Folger ( the Company's former President and CEO) agreed in principle that an appropriate portion of the 109,709,888 restricted common shares granted to The New Renaissance Group, Inc at the August 28,2013 merger of Wialan Technologies , LLC would be used towards the settlement of the pre-merger liabilities of ACYD , which at December 31, 2013 totaled \$ 378,273.

However, on January 14,2014 Mr. Mitch Freifeld (our current interim CEO until March 31,2014) filed a breach of contract lawsuit against Mr. John Folger alleging that in February 2012 Mr. Folger agreed to pay Mr. Freifeld 110 million ACYD common shares as compensation for the introduction of Wialan Technologies, LLC to ACYD. The lawsuit further alleges that on September 28, 2013 Mr.Folger provided a written agreement for the assignment of 57.5 million common shares ( of the 110 million common shares) as a deposit to Mr. Freifeld. The lawsuit is being contested by Mr. Folger. However, until this lawsuit is resolved, it is not known what effect, if any, this may have on the ability of The New Renaissance Group, Inc to deliver the applicable portion of its holding of 109,709,888 restricted common shares towards the settlement of the pre-merger ACYD liabilities.

## **NOTE F- RISKS AND UNCERTAINTIES**

The accompanying consolidated financial statements have been prepared on a going concern basis. The ability of the Company to continue as a going concern during the next twelve months depends on the ability of the Company to generate revenues from operations, to raise more capital or obtain new sources of financing sufficient to sustain operations. With the new acquisition of Wialan, management anticipates that the Company will indeed be able to generate substantial new revenues and will prosper.

## **NOTE G- INCOME TAXES**

The Company is a corporation for federal income tax purposes. As of December 31 2013 there are no items that are expected to create a tax difference

## **NOTE H - RELATED PARTY TRANSACTIONS**

Mr. Folger, who until August 28, 2013, was the Chief Executive Officer, President and a Director of the Company, is the maker of the Matson Society Beneficial Trust, which owns 6,039,035 restricted common shares. In addition, in part to settle Mr. Folger's past unpaid compensation at the date of his resignation as a condition to the Wialan merger, on August 28, 2013 a total of 109,709,888 restricted common shares were issued to The New Renaissance Group, Inc., which is majority owned by Mr.Folger. As part of this arrangement however, the Company and Mr.Folger agreed in principle that an appropriate portion of the 109,709,888 common shares would be used towards the settlement of the pre-merger liabilities of ACYD , which at December 31, 2013 totaled \$ 378,273 ( these are reflected on the Company's balance sheet at December 31, 2013 as "current liabilities" and will continue to be so reflected until such time as they are settled through the sale proceeds derived by the applicable sale of the aforementioned common shares).



Until August 28, 2013 the Company's financial statements reflected rental income of \$1,000 per month from Mr. Folger for the sublease of a house which he occupied beginning November 2012. As of December 31, 2013, accounts receivable includes \$5,000 of unpaid related party revenues related to this transaction.

Mr. Doell was a Director of the Company who was issued \$2,000 in Company shares for accepting the Company's Director position and \$2,000.00 in Company shares shall be issued every three months served. Upon resignation/discharge from the Company, Mr. Doell received \$1,000.00 in Company shares. As of December 31, 2013, the Company had issued a total of 1,944,680 restricted common shares to Mr. Doell.

#### **NOTE I - STOCKHOLDERS' EQUITY**

On April 2, 2008 there was an issuance of 20,079,045 common shares with an amended par value of \$0.0001 and 201,000,000 authorized shares as a result of the Company performing a round-lot reverse split of 1 to 1000, with a pay date of May 23, 2008.

On May 29, 2008 there was an issuance of 180,050,000 restricted shares issued to several persons pursuant to the Merger between the Company and Rockbands, LLC. The Company's issued and outstanding common shares, as of December 31, 2008 was 200,129,045.

On November 20, 2009 the State of Delaware received the Company's change to its Articles of Incorporation to perform a round-lot reverse split of 1 to 200; change to the Authorized common stock to 115,000,000 shares with a par value of \$0.0001; and change to the Authorized preferred stock to 20,000 shares with a par value of \$1.00.

On November 20, 2009 there was an issuance of 1,000,646 common shares as a result of the Company performing a round-lot reverse split of 1 to 200 with a pay date of February 5, 2010 and effecting the change in the Company's Articles of Incorporation. The Company's issued and outstanding common shares, as of December 31, 2009 was 1,000,646.

During March and April 2010 there was a cashless stock issuance of 8,993,954 restricted common shares issued to several persons pursuant to the Merger between the Company and American Community Development Corporation. All common shares issued to this point were duly and validly issued.

During 2010: 11,975,451 common shares issued for \$172,696 in debt conversions, 2,426,000 common shares issued for \$121,700 in private sales pursuant to applicable States' securities law relating to a few and infrequent securities transactions and 1,251,184 common shares issued for undisclosed value of corporate services. The Company's issued and outstanding common shares, as of December 31, 2010 was 25,647,235.

During 2011: 27,840,170 common shares issued for \$207,941 in debt conversions, 13,167,500 common shares issued for \$129,000 in private sales pursuant to applicable States' securities law relating to a few and infrequent securities transactions and 5,370,129 common shares issued for undisclosed value of corporate services. The Company's issued and outstanding common shares, as of December 31, 2011 was 72,025,034.

On April 20, 2012 the State of Delaware received the Company's change to its Articles of Incorporation to increase the Authorized common stock to 500,000,000 shares with a par value of \$0.0001 and increase the Authorized preferred stock to 75,000,000 shares with a par value of \$0.0001, with the Company's Board of Directors expressively vested with the authority to fully define preferred series and their respective defined rights and preferences. During 2012: 208,212,823 common shares were issued for \$232,377 in debt conversions, 51,600,000 common shares issued for \$65,000 pursuant to a Rule 504 exempt offering under the Securities Act of 1933, filed Form D filed via EDGAR to the Securities and Exchange Commission, 2,750,000 common shares issued for \$20,000 private sale pursuant to applicable State's securities law relating to a few and infrequent securities transactions and 1,944,680 common shares issued for \$4,000 of corporate services. The Company's issued and outstanding common shares, as of December 31, 2012 was 336,532,537.

During the second quarter of 2013 40,000,000 shares of Company's common stock were issued to ACAP. The original \$70,000 note that was convertible to the Company's common stock was partially converted. \$13,099 of the note and unpaid interest were converted in exchange for 40,000,000 unrestricted shares of the Company's common stock. \$7,099 of the note was issue to Primary Finance LLC. and converted in exchange for 13,333,333 unrestricted shares of the Company's common stock. This loan originated on November 10, 2009. Also, during the second quarter of 2013, 32,000,000 shares of Company's common stock were issued to DB Capital Corp. This note was for \$25,000. Separately, 20,000,000 shares of Company's common stock were issued to Equitas Group Inc. These shares were for money loaned to ACYD. The Company's total issued and outstanding common shares, as of June 30, 2013 was 441,865,870.

On July 23, 2013 the Company filed with the State of Delaware to amended its Articles of Incorporation to increase its authorized common shares to 3,500,000,000 common shares with a par value of \$ 0.0001 per share.

During third quarter 2013, the following common shares were issued:

Total issued common shares at June 30, 2013	<u>441,865,870</u>
(a) Shares issued for legal services	11,000,000
(b) Shares issued to Southridge Advisory Group, Inc, for debt repayment	20,000,000
(c) Shares issued to DB Capital LLC for debt repayment and interest	13,257,575
(d) Shares issued to JSJ Investments Inc. for debt repayment	37,500,000
(e) Shares issued to the owners of Wialan Technologies, LLC in consideration for the merger into the Company on August 28, 2013	1,900,000,000
(a) Shares issued to The New Renaissance Group, Inc. in settlement of past services of Mr. Folger as President and CEO	<u>109,709,888</u>
Total shares issuances in third quarter, 2013	2,091,467,463
<u>Total common shares issued and outstanding at December 31, 2013</u>	<u>2,533,333,333</u>

Of the total 2,533,333,333 issued and outstanding common shares, 1,944,415,140 (76.75%) are restricted and 588,918,193 ( 23.25%) are unrestricted.

**PREFERRED STOCK:** The Company's current Articles of Incorporation authorize the issuance of up to 75,000,000 shares of preferred stock, with a par value of \$0.0001

On February 1, 2013 the State of Delaware received the Company's change to its Articles of Incorporation to define 10,000,000 Series A preferred stock of the 75,000,000 shares of Authorized preferred stock and the Company's Board of Directors were expressively vested with the authority to fully define preferred series and their respective defined rights and preferences. To date , no preferred shares have been issued.

#### **NOTE J – SUBSEQUENT EVENTS**

On January 8, 2014 the Company announced that it has retained a nationally known sales executive, Mr. Jim Brown as a Senior Vice President of Sales in order to coordinate the installation of its nationwide sales organization. Mr. Brown is a prominent and qualified sales and marketing executive with over twenty years of sales experience in technology services, including overseeing a national sales initiative for Comcast Business Services. In addition, Mr. Brown has led major sales, marketing and training initiatives for several Fortune 500 companies including Comcast Business Services, Xerox Corporation and United Airlines.

On February 25, 2014 the Company entered into a sales agreement with Belle Harbor Building & Marina , Clearwater Beach, FL, for the initial installation of 8 of its combined wi-fi/video surveillance system at a sales value of \$ 25,000.