

**QUARTERLY REPORT OF**  
**Efftec International, Inc.**  
**FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2014**

A NEVADA CORPORATION

406 S. Boulder Ave., Suite 400, Tulsa, OK, 74103

(866-601-2639)

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## **ITEM 1. EXACT NAME OF THE ISSUER AND ITS PREDECESSORS**

The exact name of the company is Efftec International, Inc.

Efftec International, Inc., was originally incorporated on June 4, 1997 in Delaware as Communitronics Holdings, Ltd. On September 29, 1998, the Company changed its name to Dr. Squeeze International, Inc. and on June 11, 2001, the Company changed its name to American Resource Management, Inc. On July 19, 2007, the Board of Directors approved a change of domicile of American Resource Management, Inc. from Delaware to Nevada and simultaneously changed the name of the Company to Efftec International, Inc.

The Certificate of Conversion was filed in Delaware on July 25, 2007.

## **ITEM 2. ADDRESS OF THE ISSUER'S PRINCIPAL EXECUTIVE OFFICES**

### **A. Company Headquarters**

Our principal executive and administrative offices are located at 406 S. Boulder Ave., Suite 400, Tulsa, OK, 74103.

Email: [staff@efftec.com](mailto:staff@efftec.com)

Website: [www.efftec.com](http://www.efftec.com)

### **B. IR Contact**

None.

## **ITEM 3. SECURITY INFORMATION**

Trading symbol: EFFI

CUSIP: 28224X20 7

Exact title and class of securities outstanding:

As of the period ended September 30, 2014, the capital stock of the company was as follows:

Class: Common stock, \$ 0.001 par value;

Number of shares authorized: 200,000,000 shares;

Number of shares outstanding: 97,115,258

Freely tradable shares: 74,344,781

Total number of shareholders of record: 1,526

Transfer Agent: Olde Monmouth Stock Transfer Company, Inc.  
200 Memorial Parkway  
Atlantic Highlands, NJ 07716  
Telephone: (732) 872-2727  
FAX: ( )

Is the transfer agent registered under the Exchange Act?  
Yes.

List any restrictions on the transfer of security:  
None.

Describe any trading suspension orders issued by the SEC in the past 12 months:  
None.

#### **ITEM 4. ISSUANCE HISTORY**

List of securities offerings and shares issued for services in the past two fiscal years.

On December 16, 2013, the Company issued 1,136,364 shares to Avenel Ventures LLC (attn: Chanticleer Holdings, Inc.) for consulting Services.

On April 7, 2014, the Company issued 1,000,000 shares to Mary Kathryn Tantom for Consulting Services.

On April 8, 2014, the Company issued 3,000,000 shares to Shawn Clinton for Consulting Services.

On June 3, 2014, the Company issued 1,750,000 shares to Mary Kathryn Tantom for Consulting Services.

On June 3, 2014, the Company issued 3,000,000 shares to Alexander DeSousa for Consulting Services.

On August 21, 2014, the Company issued 300,000 shares to Mary Kathryn Tantom for Consulting Services.

**ITEM 5. FINANCIAL STATEMENTS:**

**EFFTEC INTERNATIONAL, INC. AND SUBSIDIARIES**  
**Consolidated Balance Sheets**  
**(Unaudited – Prepared by Management)**

				<b>September 30,</b>	<b>June 30,</b>
				<b>2014</b>	<b>2014</b>
<b>ASSETS</b>				<b>(unaudited)</b>	
	<b>CURRENT ASSETS:</b>				
	Cash		\$	1,479	4,139
	Restricted cash			91,106	45,553
	Marketable securities			184,907	252,875
	Prepaid expenses			1,400	233
	Total Current Assets			278,892	302,800
	<b>TOTAL ASSETS</b>		\$	278,892	302,800
	<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>				
	<b>CURRENT LIABILITIES:</b>				
	Current maturities of convertible notes payable-shareholders		\$	518,896	571,425
	Accounts payable			23,115	20,965
	Accrued interest			381,378	378,281
	Total Current Liabilities			923,389	970,671
	<b>STOCKHOLDERS' DEFICIT</b>				
	Common stock, \$0.001 par value; 200,000,000 shares authorized; shares issued 97,115,278 and 86,736,112 shares issued and outstanding, respectively			97,114	86,735
	Additional paid in capital			8,158,697	8,087,078
	Accumulated deficit			(8,900,308)	(8,841,684)
	Total Stockholders' Deficit			(644,497)	(667,871)
	<b>TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		\$	278,892	302,800

*See accompanying notes to consolidated financial statements.*

**EFFTEC INTERNATIONAL, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Operations**  
**(Unaudited – Prepared by Management)**

			For the Three Months Ended September 30,	
			2014	2013
			(unaudited)	(unaudited)
<b>REVENUE</b>				
	Equipment and installation	\$	-	\$ 140,775
	<b>Total Revenue</b>		-	140,775
<b>COST OF GOODS SOLD</b>			-	-
<b>GROSS MARGIN</b>			-	140,775
<b>OPERATING EXPENSES</b>				
	Stock based compensation		4,200	-
	Professional fees		6,183	-
	Selling, general and administrative expenses		811	131,727
	<b>TOTAL OPERATING EXPENSES</b>		11,194	131,727
<b>LOSS FROM OPERATIONS</b>			(11,194)	9,048
<b>OTHER EXPENSE (INCOME)</b>				
	Loss on sale of marketable securities		22,751	-
	Unrealized gain on marketable securities		(50,443)	-
	Loss on settlement of debt		59,759	-
	Interest expense		15,363	47,500
	<b>TOTAL OTHER EXPENSE (INCOME)</b>		(47,430)	(47,500)
<b>NET LOSS</b>			\$ (58,624)	\$ (38,452)
<b>NET LOSS PER COMMON SHARE, BASIC AND DILUTED</b>			\$ (0.00)	\$ (0.00)
<b>WEIGHTED AVERAGE NUMBER OF</b>				
	<b>COMMON SHARES OUTSTANDING, BASIC AND DILUTED</b>		92,223,836	23,432,623

*See accompanying notes to consolidated financial statements.*

**EFFTEC INTERNATIONAL, INC. AND SUBSIDIARIES**  
**Consolidated Statement of Stockholders' Deficit**  
**For the Years Ended June 30, 2013 and 2014 and**  
**For the Three Months Ended September 30, 2014**  
**(Unaudited – Prepared by Management)**

	<b>Common Stock</b>		<b>Common Stock</b>	<b>Additional</b>		<b>Total</b>
	<b>Shares</b>		<b>Amount</b>	<b>Paid in</b>	<b>Accumulated</b>	<b>Stockholders'</b>
				<b>Capital</b>	<b>Deficit</b>	<b>Deficit</b>
Balance at June 30, 2012	17,682,258	\$	17,682	\$ 7,213,109	\$ (9,137,064)	\$ (1,906,273)
Common stock issued for:						
Convertible notes payable and accrued interest	750,365		751	66,783	-	67,534
Acquisition of Yam Yam, Inc.	5,000,000		5,000	14,279	-	19,279
Amortization of intrinsic value of stock options	-		-	61,095	-	61,095
Net income	-		-	-	689,325	689,325
Balance, June 30, 2013	23,432,623	\$	23,433	\$ 7,355,266	\$ (8,447,739)	\$ (1,069,040)
Common stock issued for:						
Convertible notes payable and accrued interest	53,417,125		53,416	525,259	-	578,675
Common stock issued for services	9,886,364		9,886	206,552	-	216,438
Net loss	-		-	-	(393,945)	(393,945)
Balance, June 30, 2014	86,736,112	\$	86,735	\$ 8,087,077	\$ (8,841,684)	\$ (667,872)
Common stock issued for:						
Convertible notes payable and accrued interest	10,029,146		10,028	67,770	-	77,798
Common stock issued for services	350,000		350	3,850	-	4,200
Net loss	-		-	-	(58,624)	(58,624)
Balance, September 30, 2014	97,115,258	\$	97,114	\$ 8,158,697	\$ (8,900,308)	\$ (644,497)

*See accompanying notes to consolidated financial statements.*

**EFFTEC INTERNATIONAL, INC. AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**(Unaudited – Prepared by Management)**

		For the Three Months Ended September 30,	
		2014	2013
		(unaudited)	(unaudited)
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Net loss	\$	(58,624)	\$ (38,452)
Common stock issued for services		4,200	-
Loss on settlement of notes payable and accrued interest with common stock		59,759	-
Loss on sale of marketable equity securities		22,751	-
Unrealized gain on marketable securities		(50,443)	-
Adjustments to reconcile net loss to net cash (used) provided by operating activities:			
(Increase) decrease in:			
Accounts receivable		-	10,712
Prepaid expenses and other current assets		(46,720)	968
Increase (decrease) in:			
Accounts payable		-	(7,384)
Accrued expenses		-	47,500
Accrued interest		15,363	-
Net cash (used) provided by operating activities		(53,714)	13,344
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Proceeds from sale of marketable equity securities		95,660	-
Purchase of equipment		-	(357)
Net cash used by investing activities		95,660	(357)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Proceeds from issuance of notes payable		5,500	20,899
Payments on notes payable		(50,106)	(45,000)
Other		-	5,145
Net cash provided by financing activities		(44,606)	(18,956)
Net (decrease) increase in cash		(2,660)	(5,969)
Cash, beginning of period		4,139	50,010
Cash, end of period	\$	1,479	\$ 44,041
<b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>			
Cash paid for interest	\$	-	\$ 47,500
Cash paid for taxes	\$	-	\$ -
Reclassified note payable to accounts payable	\$	2,500	\$ -

*See accompanying notes to consolidated financial statements.*



# **EFFTEC INTERNATIONAL, INC. AND SUBSIDIARIES**

## **Notes to Consolidated Financial Statements**

**(Unaudited - prepared by management)**

### **NOTE 1: ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Principles of consolidation and basis of presentation**

The consolidated financial statements include the accounts of Efftec International, Inc. ("EII") and its wholly owned subsidiaries, Efficiency Technologies, Inc. ("Efftec"), Efftec GS, Inc. ("GS") and Black Nickel Acquisition Corp. III ("BNAC") collectively referred to as "the Company" or "the Companies". All significant inter-company balances and transactions have been eliminated in consolidation.

#### **Fiscal years:**

The company has a fiscal year beginning July 1 and ending June 30 of each year.

#### **Organization**

EII was originally incorporated on June 4, 1997 in Delaware as Communitronics Holdings, Ltd. On September 29, 1998, the Company changed its name to Dr. Squeeze International, Inc. and on June 11, 2001, the Company changed its name to American Resource Management, Inc. On July 19, 2007, the Board of Directors approved the re-domestication of American Resource Management, Inc. from Delaware to Nevada and simultaneously changed the name of the Company to Efftec International, Inc. The Certificate of Conversion was filed in Delaware on July 25, 2007.

Efftec was incorporated in Nevada on October 14, 2003, and was acquired by the Company in November 2003. The shareholders of Efftec were issued 2,000 shares of the Company's common stock in exchange for 100% of the common stock of Efftec.

GS was incorporated in Nevada on August 28, 2009 as a subsidiary of EII.

BNAC was incorporated in Delaware on May 26, 2005 and was acquired by the Company effective February 15, 2010 in exchange for 350,000 shares of the Company's common stock.

Effective June 30, 2013, the Company acquired Yam Yam, Inc. ("Yam Yam"), the successor to Yam Yam, LLC. During the year ended June 30, 2014, the Company terminated this transaction and all of Yam Yam's stock was returned.

#### **Nature of business**

EII is a holding company with two wholly owned subsidiaries.

Efftec developed a powerful, easy to use, Internet-based chiller tool called EffTrack™ that:

- Collects, stores and analyzes chiller operating data,
- Calculates and trends chiller performance,
- Diagnoses the cause of chiller inefficiencies,

- Notifies plant contacts when problems occur,
- Recommends corrective actions,
- Measures the results of corrective actions and
- Provides cost analysis of operational improvements.

Chillers are the single largest energy-using component in most industrial or commercial type facilities using water-cooled chillers for comfort or process cooling and can consume up to 50% of the facility's electrical usage. There is a vast array of operational and mechanical problems that occur causing a chiller to lose performance. Even small inefficiencies can result in thousands of dollars in energy waste. In November 2012, the Company completed sale of its equipment, inventory and all rights to its software in exchange for \$275,000 in cash and sufficient shares of common stock of the purchaser to provide a sales value of \$500,000 six months after closing. (Note 3).

GS was organized to sell EffTrack services to governmental entities and has not had any operations as of June 30, 2013.

BNAC is a reporting public company with whom the Company originally planned to merge and assume its reporting responsibilities. The Company has now determined to become a reporting company in a different manner and has fully impaired the goodwill of \$56,917 associated with BNAC.

Efftec owns a number of proprietary mobile applications for the Apple™ iOS™ operating system. EII is utilizing its management skills and company resources to expand on and continue develop of the applications it owns, dedicating resources towards growing its applications' intrinsic values through user adoption and increase in their respective user-bases, as well as seeking acquisitions of fully or partially developed mobile applications which have potential for revenue generation for the company. Additionally, the company is seeking acquisitions of existing business in related technology fields.

### **Cash and cash equivalents**

The Company considers all cash; cash in banks and all highly liquid debt instruments purchased with a maturity of three months or less to be cash and cash equivalents.

### **Earnings (loss) per common share**

The Company is required to report both basic earnings per share, which is based on the weighted-average number of common shares outstanding, and diluted earnings per share, which is based on the weighted-average number of common shares outstanding plus all potential dilutive shares outstanding. At all periods presented all exercisable common stock equivalents were antidilutive and are not included in the earnings (loss) per share calculations. Accordingly, basic and diluted earnings (loss) per share are the same for all periods presented.

### **Estimates**

The preparation of consolidated 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 of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **Reclassifications**

Certain reclassifications have been made to the financial statements for the purpose of conformity between periods presented.

### **Fair value of financial instruments**

Financial instruments consist of cash, accounts receivable, accounts payable, accrued expenses and short-term borrowings. The carrying amount of these financial instruments approximates fair value due to their short-term nature or the current rates at which the Company could borrow funds with similar remaining maturities.

### **Contingencies**

Certain conditions may exist as of the date financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur.

### **NOTE 2: GOING CONCERN**

The Company sold the assets and business of Efftec in November 2012 and acquired Yam Yam. (See Note 7). The Company planned to raise capital utilizing debt and equity to fund the continuing development operations of Yam Yam. The company is experiencing continued losses and has a high debt obligation.

These conditions raise substantial doubt about the Company's ability to continue as a going concern. The accompanying consolidated statements have been prepared assuming that the Company will continue as a going concern. These consolidated statements do not reflect any adjustments that might result from the outcome of these uncertainties.

### **NOTE 3: DISCONTINUED OPERATIONS**

Effective November 9, 2012, the Company completed sale of its equipment, inventory and all rights to its chiller diagnostic software in exchange for \$275,000 in cash and sufficient shares of common stock of the purchaser to provide a sales value of \$500,000 six months after closing. The shares had a value of \$393,930 at June 30, 2013 and \$278,449 at July 31, 2013 and restricted cash available for liabilities of discontinued operations was \$91,106 and \$45,553 at September 30, 2014 and June 30, 2014, respectively.

Assets and liabilities of discontinued operations consist of the following at September 30, 2014:

Assets of discontinued operations:

Common stock of purchaser	\$ 276,013
Total assets of discontinued operations	<u>\$ 276,013</u>

Liabilities of discontinued operations:

Convertible notes payable - shareholders	\$ 300,054
Total liabilities of discontinued operations	<u>\$ 300,054</u>

**NOTE 4: CONVERTIBLE NOTES PAYABLE-SHAREHOLDERS**

The Company has convertible notes payable with a group of shareholders, the majority of which accrue interest at 12% per annum and are convertible at \$0.02 to \$0.03 per share. The balance at September 30, 2014 is \$518,896. During the three months ended September 30, 2014, the Company issued 10,029,146 shares of common stock in conversion of \$77,798 of notes payable and related accrued interest.

During the three months ended September 30, 2014, the Company issued two notes payable to an individual in exchange for \$5,500. The notes bear interest at 12% per annum and are due four months from the date of issuance. The notes begin maturing in November 2014 through March 2015 and are unsecured.

**NOTE 5: INCOME TAXES**

The Company has available an unused net operating loss carry-forward of approximately \$7,277,500 which will expire in various periods through 2033, some of which may be limited as to the amount available on an annual basis.

**NOTE 6: STOCKHOLDERS' DEFICIT**

**Common Stock** - The Company is authorized to issue up to 200,000,000 shares of common stock with a par value of \$0.001. At September 30, 2014 there were 97,115,278 shares issued and outstanding. At June 30, 2014 there were 86,736,112 shares issued and outstanding.

## **ITEM 6. DESCRIBE THE ISSUER'S BUSINESS, PRODUCTS AND SERVICES.**

### **A. DESCRIPTION OF ISSUER'S BUSINESS OPERATIONS.**

EII is a holding company with two wholly owned subsidiaries.

Efftec owns a number of proprietary mobile applications for the Apple™ iOS™ operating system. EII is utilizing its management skills and company resources to expand on and continue develop of the applications it owns, as well as seeking acquisitions of fully or partially developed mobile applications which have potential for revenue generation for the company. Additionally, the company is seeking acquisitions of existing business in related technology fields.

### **B. DATE AND STATE OF INCORPORATION**

The Company was originally incorporated in the State of Delaware on June 4, 1997.

### **C. PRIMARY AND SECONDARY SIC CODES**

The Company's primary (and only) SIC code is 6719 (Holding Companies)

### **D. THE COMPANY'S FISCAL YEAR END DATE**

The Company's fiscal year ends on June 30.

### **F. RESULTS OF OPERATIONS FOR THE PERIOD ENDED SEPTEMBER 30, 2014 COMPARED TO THE PERIOD ENDED SEPTEMBER 30, 2013:**

Operating Costs: Operating costs consist of the Company's administrative expenses before interest. Operating costs for the period ended September 30, 2014 totaled \$11,194 compared to \$131,727 for the period ended September 30, 2013.

Other (income) expense: The Company had net other expense for the period ended September 30, 2014 of \$47,430, compared to a net other expense of \$47,500 for the period ended September 30, 2013.

Liquidity and Capital Resources: During the period ended September 30, 2014, the Company had cash or cash equivalents of \$1,479.

### **G. OFF-BALANCE SHEET ARRANGEMENTS**

The Company did not engage in any off-balance sheet arrangements during the fiscal quarter ended September 30, 2014.

## **ITEM 7. DESCRIBE THE ISSUER'S FACILITIES**

The Company is currently operating from leased offices located at 406 S. Boulder Ave., Suite 400, Tulsa, OK, 74103.

## **ITEM 8. OFFICERS, DIRECTORS AND CONTROL PERSONS**

### **A. NAMES OF OFFCERS, DIRECTORS AND CONTROL PERSONS**

The current CEO of the Company is Alexander Desousa

There is one member of the board of directors: Alexander Desousa.

### **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):

NO.

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:

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.

### **C. BENEFICIAL SHAREHOLDERS**

Trent E. Tucker Revocable Trust  
Trent E. Tucker, Trustee

6914 S. Yorktown Avenue  
Suite 130  
Tulsa, OK 74136

Mr. Tucker, individually and through his trust listed above, owns 5,988,593 common shares of the Company.

## **ITEM 9. THIRD PARTY PROVIDERS**

### **A. Legal Counsel**

None.

### **B. Accountant or Auditor**

None.

### **C. Investor Relations Consultant**

None.

### **D. Other Advisor(s)**

None.

## **ITEM 10. OTHER INFORMATION**

None.

## **ITEM 11. EXHIBITS**

N/A

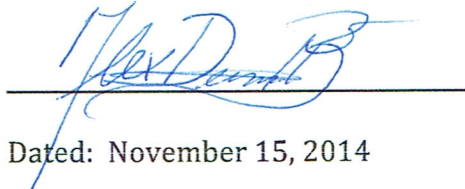
## **ITEM 12. CERTIFICATIONS**

I, Alexander Desousa, certify that:

1. I have reviewed this amended quarterly disclosure statement of Efftec International, 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.

Alexander Desousa,  
CEO



Dated: November 15, 2014