QUARTERLY REPORT ENDED On September 30, 2015

Pursuant to Rule 15c2-(11)(a)(5) Under the Securities Exchange Act of 1934

INTERNATIONAL SUSTAINABILITY GROUP INC.

81 Lancaster Ave, Suite 302 Malvern, PA 19355

CUSIP No: 460412 109

TRADING SYMBOL: ISGP

ISSUER'S EQUITY SECURITIES

COMMON STOCK \$0.001 Par Value 950,000,000 Common Shares Authorized 527,959,000 Shares Issued and Outstanding 50,000,000 Preferred Authorized 5,000,000 Preferred Issued and Outstanding

Cautionary Note Regarding Forward-Looking Statements

This disclosure form includes certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These statements, which involve risks and uncertainties, relate to the discussion of our business strategies and our expectations concerning future operations, margins, profitability, liquidity and capital resources and to analyses and other information that are based on forecasts of future results and estimates of amounts not yet determinable. We use words such as "may", "will", "should", "expects", "intends", "plans", "anticipates", "believes", "estimates", "seeks", "expects", "predicts", "could", "projects", "potential" and similar terms and phrases, including references to assumptions, in this form to identify forward-looking statements. These forward-looking statements are made based on expectations and beliefs concerning future events affecting us and are subject to uncertainties, risks and factors relating to our operations and business environments, all of which are difficult to predict and many of which are beyond our control, that could cause our actual results to differ materially from those matters expressed or implied by these forward-looking statements. These risks and other factors are as follows:

- our lack of revenues to date
- recent worldwide and domestic economic trends and financial market conditions could adversely impact our financial performance;
- our potential need for additional capital, which, if not available on acceptable terms or at all, could restrict our future growth and severely limit our operations;
- our brands could fail to achieve more widespread consumer acceptance, which may limit our growth;
- the failure of even a few of our independent wholesale distributors to adequately distribute our products within their territories could harm our sales and result in a decline in our results of operations;
- an impairment in the carrying value of our goodwill or other acquired intangible assets could negatively affect our operating results and shareholders' equity;
- changes in consumer preferences and trends could adversely affect demand for our products;
- there is substantial competition in our industry and the many factors that may prevent us from competing successfully;

We assume no obligation to publicly update or revise these forward-looking statements for any reason, or to update the reasons actual results could differ materially from those anticipated in, or implied by, these forward-looking statements, even if new information becomes available in the future.

INTERNATIONAL SUSTAINABILITY GROUP, INC

All information contained in this Disclosure Statement was compiled from the issuer's books and records and is intended to fulfill the disclosure requirements of Rule 15c2-11 (a)(5) promulgated by the Securities and Exchange Act of 1934, as amended.

<u>Item 1. – Name of the issuer and its predecessors</u>

International Sustainability Group, Inc.

<u>Item 2. – The address of the issuer's principal executive offices.</u>

81 Lancaster Ave,

Suite 302

Malvern, PA 19355 Phone: 484-551-8345

Website: http://www.isgpglobal.com/

Email: <u>info@isgpglobal.com</u>

All Investor Relations inquiries should be addressed to the Company at the above address.

<u>Item 3. – Security Information</u>

The Company has: 527,959,000 common shares issued and outstanding.

Par value \$0.001

Common Stock Cusip#: 460412 109

Symbol: ISGP

The Company has: 5,000,000 Series A preferred shares issued and outstanding

There are no provisions in the Company's charter or by-laws that would delay, defer or prevent a change in control of the Company.

Third Quarter 2015

Period end date: September 30, 2015 Common shares authorized: 950,000,000 Common shares outstanding: 527,959,000

Freely tradable shares (public float): 31,451,000

Preferred shares authorized: 50,000,000 Preferred shares outstanding: 5,000,000

Total number of beneficial shareholders: 192 Total number of shareholders of record: 192 Fiscal Year 2014

Period end date: December 31, 2014 Common shares authorized: 950,000,000 Common shares outstanding: 440,486,000

Freely tradable shares (public float): 18,451,000

Preferred shares authorized: 50,000,000
Preferred shares outstanding: 1,000,000
Total number of beneficial shareholders: 111
Total number of shareholders of record: 111

The name and address of the transfer agent.

Madison Stock Transfer
P. O. Box 145
Brooklyn, NY 11229
Phone: (718) 627-4453

Madison Stock Transfer, Inc. is an SEC approved transfer agency.

List any restrictions on the transfer of security:

None

Describe any trading suspension orders issued by the SEC in the past 12 months:

None

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

None

NON-SHELL STATUS

The Company is not currently a shell, and has never been a shell company, since inception. We have seen and carefully reviewed a copy of Rule 144. We do not have any reason to believe that the Company would not comply with Rule 144(i)(1)(i). as a non Shell status. We provided legal opinions several times by several attorneys in the past and current regarding reliance on the Rule 144 and rely upon the documents of the Company.

The key component is that the Company was privately held since the inception year 1990 until 2010, at which time the company began trading on the Gray Market. The Company's main business activity since inception (1990) till 2009 was to provide drilling services for oil and gas wells concentrating on reworking existing stripper wells, consulting to the energy industry, production, and exploration of new wells. A business plan (dated 10/01/1990) along with incorporation certificates of 1990 demonstrates that the Company was operational and providing Environmental Services with a revenue range \$1 - \$1,000,001 by Executive Office/Director Claude Smith at 1921 SE Washington #5, Idabel, OK 74745. This clearly exhibits that the Company was not a shell since inception as per the Rule 144(i)(1)(i).

During this period (1990 to 2010) the Company remained in the Gray Market until March 2014 when it was accepted by OTC Markets to trade on the Pink Sheet Market. At no time since 2010 was the company a public shell company as defined in Rule 230.405 of the Securities Act.

In late 2009 Mr. Darren Cioffi, was appointed as the new CEO and board of director as mentioned in the affidavit provided by Mr. Cioffi. As per Mr. Cioffi, in 2009 till 2011 the focus of the Company changed towards environmental services and specialty trade contracts such as remediation and construction and inspection jobs. The company's operation also moved from Idabel, OK to 366 N. Broadway, Ste 410, Jericho, NY 11753. A copy of the new business plan prepared by Mr. Cioffi dated September 5, 2009 demonstrates that the Company was operational and had revenue of \$179,508.

As mentioned in the affidavit of Mr. Cioffi the business of the Company suffered due to the recession in the energy industry in 2011, so all remediation contracts of the Company was cancelled and Mr. Cioffi was forced to restructure and reorganize the company, that took couple of years. But, Mr. Cioffi continued operating the company by him without taking any salary and spending money from personal sources. That's the reason the tax returns in 2011 and consolidated financials of 2012 & 2013 that reflect a major financial fall (no revenue and very minimal expenses and bank balance) due to elimination of contracts.

In 2014, Mr. Cioffi was successful in reorganization and appointed Mr. Surajit Khanna as the new CEO and board of directors. Mr. Cioffi also resigned as the CEO and board of directors. Mr. Khanna brought a patent and substantial amount of asset to the company in order to grow algae and its derivatives. The new business plan and 2014 financials demonstrate the assets and expenses of the Company. This clearly exhibits that the Company was not a shell since inception as per the Rule 144(i)(1)(i).

In 2015, the Company started setting up its state of the art commercial testing laboratory and pilot plant for growing algae in West Chester, Pennsylvania. Furthermore, the Company introduced its first commercial algae based nutritional bar called "AlgaeUp" with a revenue forecast of \$3 million in 2015. The Company is currently setting up its nutritional bar production and distribution in Philadelphia, Mississippi. Further, the Company acquired two nutritional companies in Peru; a press release was published in February 2015. The accounting books of these Peruvian companies are been audited for including in the financials of the Company in 2015. The Company is not now a shell company, nor has it been a shell company, as defined under the amended Act (after review of the Company's quarterly and annual reports as posted on the OTC Disclosure & News Service), and is traded on the OTC Pink with current information.

In addition, the Company did not engage in any mergers no a party to a reverse merger, which is generally considered the key component to determine if a Company is a shell.

SEC Release 33-8869, Footnote 172 specifically states:

Rule 144(i) does not prohibit the resale of securities under Rule 144 that were not initially issued by a reporting or non-reporting company or an issuer that has been at any time previously such a company, even when the issuer is a reporting or non-reporting shell company at the time of sale. Contrary to commenters' concerns, Rule 144(i)(1)(i) is not intended to capture a "startup company" or in other words, a company with a limited operating history, in the definition of a reporting or non-reporting shell company, as we believe that such a company does not meet the condition of having "no or nominal operations."

Furthermore, below are the details (with accurate timeline) of the factual analysis of the company:

- 1. In 1990 QUANTUM PRODUCTION SERVICES was formed as a Louisiana Corporation. Quantum was a "private company" and not publicly traded on any public market.
- 2. In 2006, Quantum changed its domicile to Nevada by share exchange and changed its name to SMITH OIL GROUP, INC. QUANTUM PRODUCTION SERVICES became a wholly owned subsidiary of SMITH OIL GROUP, INC. At this time, SMITH OIL GROUP, INC. is still a "private company" as it was not traded on any public market. SMITH OIL GROUP, INC. was under the control of Claude Smith, who has been deceased since 2013.
- 3. SMITH OIL GROUP, INC. continued to operate under that name as a "private company" registered in the State of Nevada with ongoing business operations.
- 4. In 2009 SMITH OIL GROUP, INC. acquired HAWKSOLUTIONS GROUP, INC., a private New York corporation formed in 1999. The company is

- engaged in mechanical air quality retrofit, life Safety and energy consulting & contracting.
- 5. On July 20, 2009 85% of the shareholders voted to change the name of the Company from SMITH OIL GROUP, INC. to INTERNATIONAL SUSTAINABILITY GROUP, INC. At this point, none of the above-mentioned companies have ever been considered "public companies" as they are all "private companies" and they were never traded on any public market.
- 6. As of July 21, 2009, Mr. Darren J. Cioffi took over control of the "private company" known as INTERNATIONAL SUSTAINABILITY GROUP, INC. and began running the daily operations as Chief Executive Officer and Board Member.
- 7. On June 18, 2010, Steven D. Genegaban, a compliance examiner for the Financial Industry Regulatory Authority (FINRA) wrote a letter to Capital Path Securities, LLC regarding the public trading status of ISGP. The letter will confirm that June 18, 2010 was the first day that ISGP was ever cleared to be eligible to be publicly traded since its inception.
- 8. The first time that ISGP was ever traded on any public market was in 2010 when they began trading on the "Gray Market" and essentially became a non-reporting/no information public company listed on the Gray Market. ISGP continued to trade on the Gray Market from 2010 until March of 2014 when the stock became eligible for the OTC Pink market. Essentially the first time that ISGP was ever considered a public company was under the control of Mr. Darren J. Cioffi who has signed an affidavit stating that the company was not, and has never been a "public shell company".
- 9. In March of 2014, INTERNATIONAL SUSTAINABILITY GROUP, INC. [ISGP was granted the right to be publicly traded on the OTC Pink Market and has continued to trade since that time.
- 10.On July 17, 2014, ISGP appointed new management and Board Members. On that same day, the former CEO and sole director of the company resigned. Surajit Khanna was officially appointed to the position CEO and has continued to be active in ISGP until the present date. During which time, the company has had daily business operations that have been overseen by Surajit Khanna, the company's CEO.
- 11.On August 8, 2014, ISGP was assigned patents from Surajit Khanna, the current CEO, and is considered to be the property of ISGP. These patents, and other ISGP intellectual property are associated with commercial algae production used to create biofuels. ISGP currently has algae production facilities operating in Peru and are in the final stages of completing their domestic pilot plant located in West Chester, Pennsylvania. In addition, ISGP is currently, and has been since the time it began trading on the OTC Pink Market, a fully audited company with financial statements including but not limited to, bank statements, tax returns.

These financial statements and quarterly disclosures have been published to the OTC Markets website and clearly prove the company's business operations and the fact that ISGP is not a "Shell Company".

At no time since its inception and evidenced transition from a "private company" to a "public company" has INTERNATIONAL SUSTAINABILITY GROUP, INC. been considered a "Shell company" according to the rules set forth by the Securities & Exchange Commission.

<u>Item 4. – Issuance History</u>

During the end of September 30, 2015 the Company issued 83,005,000 shares of common Stock for the purchase of assets, equipment and working capital.

The above issuances of the shares of Common Stock were exempt from registration under the Securities Act of 1933, as amended pursuant to Section 4(2) of the Securities Act. The certificates or other documents that evidence the shares contain a legend stating that the shares have not been registered under the Securities Act.

<u>Item 5. – Interim Financial Statements</u>

Please see 3rd Quarterly Financial Report filed for Period ending September 30, 2015 filed on November 13, 2015 on www.otcmarkets.com.

<u>Item 6. – Issuer's Business, Products and Services.</u>

A. Business Operations

International Sustainability Group, Inc. ("ISG" or the company") is a publicly traded green technology corporation registered in the State of Nevada, having its headquarters in Malvern, Pennsylvania, focusing on commercial scale production and sales of various natural algae species and products.

Initially ISG specialized in green energy audits, green engineering, design-build and life safety compliance. ISG has entered into the Algae market, by the acquisition of a patented indoor commercialized algae development technology. This technology has been successfully developed and tested to produce commercial large-scale algae in an indoor environment using artificial light in vertical photo-bioreactors (PBR). ISG's patented, third party validated algae technology enables it to produce algae continuously (24X7) and control the growth environment for optimum yields. In addition, the vertical nature of the PBR's enables to reduce the land requirement

significantly as compared to other technologies such as open pond. Algae products have been used in multiple industries such as nutraceutical, pharmaceutical, animal feed and bio-fuel, presenting a massive growth potential to the Company.

In order to increase revenue (bring revenue faster) ISG decided to enter into negotiations to acquire algae production and distribution facilities including a health product manufacturing facility. ISG has entered in to memorandum of agreements with some of these companies and waiting to complete the due-diligence audit and acquisition process. These facilities are producing revenue and earning a profit.

ISG plans to first address the requirements of premium markets such as nutraceutical and pharmaceutical, and later focus on the bio-fuel market after a significant production capacity expansion.

In order to increase revenue, ISG has continued with negotiations to acquire algae production and distribution facilities, including a health product manufacturing facility by the end of the 4th quarter. ISGP announced in July that it is ramping up production of its initial three AlgaeUp products in Peru to bring to the USA market. Currently, AlgaeUp commercial production started after updating the design of the labels and the box. It plans to arrive in USA market sometime in December 2015 time frame, provided all funding initiatives are in-place on timely fashion.

The acquisition of two Peru plants will be completed once the due diligence process is over by the due diligence team by the end of fourth quarter. As part of the ongoing due diligence we have agreed with Productos Naturales Govinda SAC to produce ISG's AlgaeUp Nutraceutical Bars. ISGP recently issued a promissory note for the purchase price as per the agreement signed in February 2015. Once the funding initiatives are meet ISGP will pay the Peruvian companies.

Once the acquisition is complete then the revenue will be reported in the financials. These facilities are currently producing revenue and earning a profit. The companies are:

- Alimentos Naturales Gopal S.A.C. (located in Peru)
- Productos Naturales Govinda S.A.C (located in Peru)

Costs and effects of compliance with federal, state and local environmental laws are minimal.

The Company has 6 employees, is not bound by long-term contracts, and when necessary, the Company relies on the services of independent consultants and contractors to perform various professional services. These employees have not received compensation or salaries since the start of the business operations, but have deferred their pay until proper funding is available with the company. This deferred

salary shall be documented in the accounting books by the end of the 4th quarter and employees will be issued convertible promissory notes for services rendered. Such convertible promissory note will have the option to convert into non restricted common shares.

As our operations increase, we anticipate engaging additional employees; however, we do not plan to add employees until the business is substantially increased, and we have generated adequate funds to support our operations.

Our growing line of algae-based nutritional products are designed to support health through a formulation of nature's minerals, proteins, antioxidants, vitamins and omegas.

In addition to our initial three products, which are AlgaeUPTM Energy Bar", "AlgaeUPTM Energy Drink mix" and "AlgaeUPTM supplement capsules, ISG is formulating a new AlgaeUPTM Energy Shot in conjunction with our partnership with Bebida Beverage Company which we announced in our July 15th press release "BeBevCo Enters Partnership with ISG with investment, joint ventures on leading algae-based Supplement Line". All four products have been specially formulated using blue green algae Spirulina as its main ingredient. Each product will allow our customers to achieve optimal health and fitness. BeBevCo will bring this new AlgaeUPTM Energy Shot to their customer base.

All four new AlgaeUPTM products have a mixture of Spirulina, Vegetarian Glucosamine Sulfate and other natural flavorful ingredients. These ingredients are the building blocks of good health. They are a natural source of energy, mental clarity and other healthy properties. All this while helping to lubricate your joints, improve your vision and provide other heart healing properties to your body.

Because of the financial difficulties ISGP is experiencing ISGP has paused the build out of the algae commercial laboratory and spirulina pilot plant in 510 E. Banard St,. Unit- 45, West Chester, Pennsylvania 19382. The company has also shifted its Headquarters from 510 E. Banard St,. Unit-45, West Chester, Pennsylvania 19382 to 81 Lancaster Ave, Suite 302, Malvern, PA 19355. Also, shifted its administrative work location from 510 E. Banard St. Unit-45, West Chester, Pennsylvania 19382 and has established its administration and operations offices at 1525 Lakeville, Suite 200, Kingwood, TX 77339.

On August 10th ISGP announced our joint Venture with our affiliate Lotus Holdings, LLP to a joint venture deal in Mississippi bringing new jobs. ISGP will be using the 240,000 square foot building with this joint venture as a logistics facility. ISGP will ship its nutraceutical bars to this plant and ship to our various customers from here.

The mayor of Philadelphia, Mississippi announced that our joint venture would do great things for their community.

- **B.** The Company is a Nevada corporation, incorporated in 1990.
- C. The Company's primary SIC code is 191 General farms, primarily crop.
- **D.** The Company's fiscal year end date is December 31.
- E. Principal products and their markets see "A" above.

<u>Item 7. – Issuer's Facilities</u>

The issuer co leases space at 81 Lancaster Ave, Suite 302 Malvern, PA 19355 and 1525 Lakeville, Suite 200, Kingwood, TX 77339

Item 8. – Officers, Directors and Control Persons.

A. The Company went through few major changes with its Officers, Directors and Control Persons. Below are the lists on various time frames. All these changes are based on various board resolutions and resignations during each incident.

Prior to August 4, 2015

The name of the chief executive officer, members of the board of directors, as well as control persons were:

CEO/President and Chairman – Surajit Khanna Secretary/Director – Karamtej Cheema Treasurer/ Director - Sohinii Khanna Vice President /Director – Benny J. Tillman Director – Tomer Dicturel

Between August 4, 2015 and August 14, 2015

The name of the chief executive officer, members of the board of directors, as well as control persons were:

Chairman and Director – Surajit Khanna Interim Chief Executive Officer and Director – Thomas J. Beener, Esquire Interim Chief Operating Officer– Robert Tanko Director – John Drury II

Between August 15, 2015 and September 30, 2015

The name of the chief executive officer, members of the board of directors, as well as control persons were:

Chairman and Director – Surajit Khanna Interim Chief Executive Officer and Director – Robert Tanko Interim Chief Operating Officer– Frank (Buddy) Rhodes Director – Benny J. Tillman

After October 1, 2015 and current (as of November 13, 2015)

The name of the chief executive officer, members of the board of directors, as well as control persons are.

Chairman and Director – Surajit Khanna
Vice Chairman and Director – Robert Tanko
Chief Executive Officer - Frank Rhodes
Chief Operating Officer International and Director – Eduardo Llaser
Director – Benny Tillman
Director – Anand Poddar

Business address: 81 Lancaster Ave, Suite 302 Malvern, PA 19355.

B. In the last five years, none of the forgoing has been the subject of (i) a conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses); (ii) 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; (iii) a finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or (iv) 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.

C. Beneficial Shareholders

Sohinii Khanna owns 125,555,016 common shares; = 23.78% of the issued and outstanding common shares.

Karamtej Cheema owns 33,160,000 common shares; = 6.28% of the issued and outstanding common shares.

John Drury owns 41,975,000 common shares; = 7.95% of the issued and outstanding common shares.

Empire Venture Group owns 110,000,000 common shares; = 20.83% of the issued and outstanding common shares. The address is 595 Stewart avenue suite 710 Garden City, NY 11530. The contacts of Empire Venture Group are John Antonucci and Sam Verasso.

ISG Partners, LLC owns 1,000,000 shares and Surajit Khanna owns 4,000,000 of Series A Preferred Stock which carries super voting rights of seventy percent (70%) of the entire voting Common Stock eligible to vote at any time until such Series A Preferred shares are converted, redeemed, liquidated or cancelled. The Series A Preferred Stock is convertible into common stock at 1:1 ratio (i.e. – one share of common stock issued for each share of Series A Preferred Stock converted). The principal person for ISG Partners, LLC is Dean Petkanas.

Item 9. – Third Party Providers

Legal Counsel.

The Law Offices of James Donovan James Donovan, Esquire 317 Davisville Rd Willow Grove, PA 19090

Accountants or Auditor.

RBSM LLP 805 Third Avenue Suite 902 New York, N.Y. 10022

Investor Relations Consultant – None

Other Advisor – None

<u>Item 10. – Certification</u>

We, Surajit Khanna and Frank Rhodes, certify that:

- 1. We both have reviewed this quarterly disclosure statement of International Sustainability Group, 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: November 13, 2015

\\S\Surajit Khanna \\S\Frank Rhodes

Surajit Khanna Frank Rhodes

Chairman Chief Executive Officer