

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Coastal Capital Acquisition Corporation

3963 Domestic
Avenue Naples, FL
34104

239-435-7875
coastalcapitalacq@gmail.com
SIC 3272

Quarterly Report **For the Period Ending: September 30, 2021** **(the "Reporting Period")**

As of September 30, 2021, the number of shares outstanding of our Common Stock was:

934,739,050

As of June 30, 2021, the number of shares outstanding of our Common Stock was:

934,739,050

As of December 31, 2020, the number of shares outstanding of our Common Stock was:

934,739,050

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☒ No: ☐

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐ No: ☒

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

¹ "Change in Control" shall mean any events resulting in:

- (i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;
- (ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;
- (iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or
- (iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the

Yes: ☐ No: ☒

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

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

Current name:

Coastal Capital Acquisition Corp.- From January 16, 2008 – Present

Previous Names:

EZ2 Companies, Inc. – From November 2004 -January 16,
2008Edgar Filings.net, Inc. – From May 28, 1999- November
2004

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

<u>Name</u>	<u>State of Incorporation</u>	<u>Status</u>
Coastal Capital Acquisition Corp.	Florida	Active

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

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:

None

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

3963 Domestic Avenue
Naples, FL 34104

The address(es) of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address: ☒

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐ No: ☒

surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

N/A

2) Security Information

Trading symbol: CCAJ
Exact title and class of securities outstanding: Common Stock
CUSIP: 190426 10 6
Par or stated value: \$0,001

Total shares authorized: 2,350,000,000 as of date: September 30, 2021
Total shares outstanding: 934,739,050 as of date: September 30, 2021
Number of shares in the Public Float²: 593,902,574 as of date: September 30, 2021
Total number of shareholders of record: 68 as of date: September 30, 2021

All additional class(es) of publicly traded securities (if any):

Trading symbol: _____
Exact title and class of securities outstanding: _____
CUSIP: _____
Par or stated value: _____
Total shares authorized: _____ as of date: _____
Total shares outstanding: _____ as of date: _____

Transfer Agent

Name: Pacific Stock Transfer Company
Phone: 800-785-7782
Email: info@pacificstocktransfer.com
Address: 6725 Via Austi Pkwy #300
Las Vegas, NV 89119

Is the Transfer Agent registered under the Exchange Act?³ Yes: ☒ No: ☐

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☒

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>12/31/2018</u> Common: <u>934,739,050</u> Preferred: <u>5,000,000</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Shares Outstanding on Date of This Report: <u>Ending Balance</u> <u>Ending Balance:</u> Date <u>09/30/21</u> Common: <u>934,739,050</u> Preferred: <u>5,000,000</u>									

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended June 30, 2021, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2019 through June 30, 2021 pursuant to the tabular format above.

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

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
January 2013	104,514	75,000	29,514	1/2/2015	The conversion price shall be \$0.001, adjusted for any stock splits.	Earth Surfaces of America, Inc. <u>Anthony DiNorcia</u>	Services
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

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

4) Financial Statements

A. The following financial statements were prepared in accordance with:

- ☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

Name: Daniel F. Governile
Title: CFO and Director
Relationship to Issuer: CFO and Director

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

- C. Balance Sheet;
D. Statement of Income;
E. Statement of Cash Flows;
F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
G. Financial notes; and
H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

If you choose to publish the financial statements in a separate report as described 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 OTCIQ in the field below. Financial Statements must be compiled in one document.

The unaudited financial statements for the quarter ended September 30, 2021, are attached hereto

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

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

In April 2012 the Company acquired Earth Surfaces of America, Inc. ("ESA"). ESA manufactures high-end Terrazzo paving slabs and other related products. The acquisition was rescinded on December 18, 2012. As of December 31, 2012, the Company had no operations. The Company is in the development stage focused on identifying and negotiating with merger and acquisitions.

- B. Please list any subsidiaries, parents, or affiliated companies.

None

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

In April 2012 the Company acquired Earth Surfaces of America, Inc. ("ESA"). ESA manufactures high-end Terrazzo paving slabs and other related products. The acquisition was rescinded on December 18, 2012. As of December 31, 2012 the Company had no operations. The Company is in the development stage focused on identifying and negotiating with merger and acquisitions.

6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

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

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

The Company maintains its executive offices at 3963 Domestic Ave., Naples, Florida. The space is provided at no charge by the Company's CEO

7) Company Insiders (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 or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>Anthony DiNoria</u>	<u>CEO and Director</u>	<u>Naples, FL</u>	<u>250,000,000</u>	<u>Common</u>	<u>26.75%</u>	<u>_____</u>
			<u>5,000,000</u>	<u>Series B Preferred</u>	<u>100%</u>	
<u>Daniel F. Governile</u>	<u>CFO</u>	<u>Naples, FL</u>		<u>_____</u>	<u>_____</u>	<u>_____</u>

8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

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 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

None

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.

None

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: Jonathan Leinwand
Firm: Jonathan D. Leinwand, P.A.
Address 1: 18305 Biscayne Blvd, Suite 200
Address 2: Aventura, FL 33180
Phone: (954) 903-7856
Email: jonathan@jdlpa.com

Accountant or Auditor

Name: N/A
Firm: N/A
Address 1: N/A
Address 2: N/A
Phone: N/A
Email: N/A

Investor Relations

Name: N/A
Firm: N/A
Address 1: N/A
Address 2: N/A
Phone: N/A
Email: N/A

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name: Dr. Barry A. Ginsberg
Firm: NA
Nature of Services: Consulting
Address 1: 1825 NW Corporate Blvd., Suite 110
Address 2: Boca Raton, FL
Phone: 561-807-8812
Email: bagins@bellsouth.net

10) Issuer Certification

Principal Executive Officer:

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, Anthony DiNorcio Sr., certify that:

1. I have reviewed this Quarterly disclosure statement of Coastal Capital Acquisition Corporation;
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.

11/4/2021 [Date]

/S/ Tony DiNorcio [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, Daniel F. Governile certify that:

1. I have reviewed this Quarterly disclosure statement of Coastal Capital Acquisition Corporation;
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.

11/4/2021 [Date]

/S/ Daniel F. Governile [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Coastal Capital Acquisition Corporation
Balance Sheets
As of September 30, 2021 and December 31, 2020
(unaudited)

	September 30, 2021	December 31 2020
Assets		
Prepaid expense	\$ 6,187	\$ -
Total Assets	<u>6,187</u>	<u>-</u>
Liabilities & Shareholders Deficit		
Current liabilities		
Accounts payable	18,979	-
Accrued interest	29,514	26,982
Total Current liabilities	<u>48,493</u>	<u>26,982</u>
Long-term liabilities		
Convertible note - 2013	75,000	75,000
Total Long-term liabilities	<u>75,000</u>	<u>75,000</u>
Shareholders Deficit		
Common stock, \$0.001 par value, authorized shares of 2,350,000,000. Issued and outstanding shares of 934,739,050 at September 30, 2021 and December 31, 2020	934,739	934,739
Preferred series B stock, \$0.001 par value, authorized shares of 5,000,000. Issued and outstanding at September 30, 2021 and December 31, 2020	5,000	5,000
Paid-in capital	8,679,936	8,679,936
Deficit accumulated during development stage	(9,736,981)	(9,721,657)
Total Shareholders Deficit	<u>(117,306)</u>	<u>(101,982)</u>
Total Liabilities & Shareholders Deficit	<u>6,187</u>	<u>-</u>

The accompanying Notes to the financial statements are an integral part of these unaudited financial statements.

Coastal Capital Acquisition Corporation
Income Statements
For the Three and Nine Months ending September 30, 2021
(unaudited)

	For the Three months ending September 30		For the Nine months ending September 30	
	2021	2020	2021	2020
Revenue	\$ -	\$ -	\$ -	\$ -
Operating Expenses				
Legal fees	8,372		8,372	
Subscription fees	4,420		4,420	
Interest expense	844	844	2,532	2,532
Total Operating Expenses	13,636	844	15,324	2,532
Net Loss	(13,636)	(844)	(15,324)	(1,688)
Net Loss per common share:				
Basic	\$0.00	\$0.00	\$0.00	\$0.00
Diluted	\$0.00	\$0.00	\$0.00	\$0.00
Weighted average number of shares of common stock outstanding				
Basic	934,739,050	934,739,050	934,739,050	934,739,050
Diluted	1,029,739,050	1,029,739,050	1,029,739,050	1,029,739,050

The accompanying Notes to the financial statements are an integral part of these unaudited financial statements.

Coastal Capital Acquisition Corporation
Statements of Shareholders Deficit
For the Three and Nine Months ending September 30, 2021
(unaudited)

	Common Stock		Preferred Stock		Paid in	Accumulated	Total
	Shares	Amount	Shares	Amount	Capital	Deficit	Shareholders
							Deficit
Balance at December 31, 2020	934,739,050	\$ 934,739	5,000,000	\$ 5,000	\$ 8,679,936	\$ (9,721,657)	\$ (101,982)
Net Loss						(844)	(844)
Balance at March 31, 2021	934,739,050	934,739	5,000,000	5,000	8,679,936	(9,722,501)	(102,826)
Net Loss						(844)	(844)
Balance at June 30, 2021	934,739,050	934,739	5,000,000	5,000	8,679,936	(9,723,345)	(103,670)
Net Loss						(13,636)	(13,636)
Balance at September 30, 2021	934,739,050	934,739	5,000,000	5,000	8,679,936	(9,736,981)	(117,306)

The accompanying Notes to the financial statements are an integral part of these unaudited financial statements.

Coastal Capital Acquisition Corporation**Statements of Cash Flows****For the Three and Nine Months ending September 30, 2021 and December 31, 2020****(unaudited)**

	For the Three months ending September 30		For the Nine months ending September 30		For the Year ending December 31
	2021	2020	2021	2020	2020
Cash flow from operating activities					
Net loss	\$ (13,686)	\$ (844)	\$ (15,324)	\$ (1,688)	\$ (3,375)
Adjustments to reconcile net loss to net cash					
Changes in net working capital	13,686	844	15,324	1,688	3,375
Net cash flow provided by operating activities	-	-	-	-	-
Cash flows from financing activities	-	-	-	-	-
Net increase (decrease) in cash	-	-	-	-	-
Cash at beginning of period	-	-	-	-	-
Cash at end of period	-	-	-	-	-

The accompanying Notes to the financial statements are an integral part of these unaudited financial statements.

Coastal Capital Acquisition Corporation
Notes to the Financial Statements
September 30, 2021

Note 1 – Description of Business

Coastal Capital Acquisition Corp. (“Coastal Capital” or “the Company”) was originally incorporated in Nevada on May 28, 1999 as Edgar Filings.net, Inc. In November 2004 it changed its name to EZ2 Companies, Inc. and on January 16, 2008 it changed to its current name, as well as, changing its corporate domicile to the State of Georgia. On August 10, 2010 the Company changed its Domicile to the State of Florida.

Coastal Capital has no operations since December 2012.

Note 2 - Summary of Significant Accounting Policies

Basis of Presentation

These unaudited financial statements have been prepared in accordance with generally accepted accounting principles (“GAAP”) in the United States of America as issued by the Financial Accounting Standards Board (“FASB”).

The preparation of financial statement in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and the accompanying Notes to financial statements. Actual results could differ from those estimates.

Stock-Based Compensation

The calculation of share-based employee compensation expense involves estimates that require management’s judgment. These estimates include the fair value of each of the stock option awards granted, which is estimated on the date of grant using a Black-Scholes option pricing model. There are two significant inputs into the Black-Scholes option pricing model: expected volatility and expected term. The assumptions used in calculating the fair value of share-based payment awards represent management’s best estimates, but these estimates involve inherent uncertainties and the application of management’s judgment. In addition, the Company is required to estimate the expected forfeiture rate, and only recognize expense for those shares expected to vest. As a result, if factors change and the Company uses different assumptions, stock-based compensation expense could be different from what the Company has recorded in the current period.

Basic and Diluted Loss per Common Share

Basic loss per share is computed by dividing net loss by the weighted-average number of common shares actually outstanding for the period. Diluted loss per share reflects the potential dilution that could occur upon the conversion or exercise of securities, options, or other such items to common shares, using the treasury stock method based upon the weighted average fair value of the Company's common shares during the period.

Note 3 - Going Concern

Coastal Capital is a development stage enterprise. The accompanying financial statements have been prepared assuming the Company will continue as a going concern.

Note 4 – Convertible Note

On January 2, 2013, the Company's directors, two of which are officers of Earth Surfaces of America, approved the issuance of a convertible note in the amount of \$75,000 to reimburse Earth Surfaces for expenditures paid on behalf of the Company. Interest on the note is 4.5% per year and the note's outstanding principal and interest is convertible at any time without approval of the Company, into the Company's common stock at a conversion price of \$ 0.001 per share.

Note 5 – Capital Stock

Common Stock

The Company is authorized to issue 2,350,000,000 shares of common stock with a par value of \$0.001. All shares have equal voting rights, are non-assessable and have one vote per share.

Preferred Stock

The Company is authorized to issue 5,000,000 shares of preferred stock with a par value of \$0.001. As part of the 2012 rescission agreement with Earth Surfaces, the Company issued 5,000,000 shares of Preferred Series B stock to the owner of Earth Surfaces, a director of the Company for services rendered. Each share is entitled to 10,000 votes on all matters submitted to common shareholders and cannot be converted into the Company's common stock.

Note 6 - Stock Based Compensation

On May 1, 2012, Pursuant to the Company's Stock Option Plan, the Company issued stock options to an officer and a director.

Options were awarded that will allow these individuals to purchase 20 million shares of the Company's common stock at \$ 0.0025, the stock price on the date of grant. The fair value of the

options is estimated as of the date of grant using a Black-Scholes option-pricing model. As of September 30, 2021, options to purchase 15 million shares are outstanding, the remaining options have expired.

The Black-Scholes model was developed for use in estimating the fair value of traded options that have no vesting restriction and are fully transferable. The risk-free rate for periods within the contractual life of the option is based on the U.S. Treasury yield curve in effect at the time of grant. The expected life of options granted is derived from the input of the option-pricing model and represents the period of time that options granted are expected to be outstanding. Expected volatility rates are based on historical volatility of shares of common stocks of similar companies.

The following is a summary of the weighted-average assumptions related to grants issued.

- Risk free interest rate - 1.7%
- Expected life of option – 5.5 years
- Expected dividend yield – 0%
- Expected volatility rate – 150%

Compensation cost for awards is recognized on a straight-line basis over the related vesting period. All related options were fully vested as of May 1, 2013.