

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

American Films, Inc.

1132 Kane Concourse
Suite 201
Bay Harbor Islands, FL 33154

www.americanfilms.us

info@americanfilms.us

SIC: 7375

**Annual Report
For the Period Ending: September 30, 2022
(the "Reporting Period")**

As of September 30, 2022, the number of shares outstanding of our Common Stock was: 69,314,425

As of September 30, 2021, the number of shares outstanding of our Common Stock was: 46,500,415

As of September 30, 2020, the number of shares outstanding of our Common Stock was: 41,500,415

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:

Yes: ☐ No: ☒

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

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 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.

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.

American Films, Inc.: from January 4, 2012 to present

Nanoscience Technologies, Inc.: from May 17, 2002 to January 4, 2012

Eagles Nest Mining Company: from September 14, 1987 to May 17, 2002

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):

Nevada (active)

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

N/A

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

N/A

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

1132 Kane Concourse, Suite 201, Bay Harbor Islands, FL 33154

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: ☒

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: AMFL
Exact title and class of securities outstanding: Common Stock
CUSIP: 026040105
Par or stated value: \$0.001

Total shares authorized: 100,000,000 as of date: September 30, 2022
Total shares outstanding: 69,314,425 as of date: September 30, 2022

Number of shares in the Public Float²: 34,725,704 as of date: September 30, 2022
Total number of shareholders of record: 245 as of date: September 30, 2022

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: Worldwide Stock Transfer, LLC
Phone: 201-820-2010
Email: info@wwstr.com
Address: One University Plaza, Suite 505, Hackensack, NJ 07601

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**.

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: Opening Balance: Date 9/30/2020 Common: 41,500,415 Preferred: N/A			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance,	Number of Shares	Class of Securities	Value of shares issued	Were the shares issued at	Individual/ Entity Shares were issued to	Reason for share issuance (e.g. for cash or debt	Restricted or Unrestricted	Exemption or

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.

	cancellation, shares returned to treasury)	Issued (or cancelled)		(\$/per share) at issuance	a discount to market price at the time of issuance? (Yes/No)	(entities must have individual with voting / investment control disclosed).	conversion) -OR- Nature of Services Provided	as of this filing.	Registration Type.
6/25/2021	New issuance	2,000,000	Common Stock	\$0.065	Yes	Marc Cohodes	Pursuant to Private Placement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
6/25/2021	New issuance	1,000,000	Common Stock	\$0.065	Yes	Bradley Safalow	Pursuant to Private Placement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
7/29/2021	New issuance	1,500,000	Common Stock	\$0.66	Yes	Ira J. Gaines as Trustee of The Ira J. Gaines Revocable Trust	Pursuant to Settlement Agreement (held in escrow)	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
9/28/2021	New issuance	500,000	Common Stock	\$0.35	Yes	Max Cohodes	Pursuant to Private Placement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
11/17/2021	New issuance	1,015,420	Common Stock	\$0.35	Yes	Derrick Spatorico	Debt conversion pursuant to Settlement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
11/17/2021	New issuance	7,287,772	Common Stock	\$0.35	Yes	Derrick Spatorico	Debt conversion pursuant to Settlement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
12/01/2021	New issuance	350,000	Common Stock	\$0.02	Yes	Craig Campbell	Pursuant to Private Placement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
12/01/2021	New issuance	900,000	Common Stock	\$0.01	Yes	John Carty	Pursuant to Private Placement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
12/06/2021	New issuance	416,667	Common Stock	\$0.06	Yes	Marshall Faulk	Pursuant to Private Placement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
1/12/2022	New issuance	1,570,000	Common Stock	\$0.04	Yes	Craig Campbell	Pursuant to Private Placement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
1/19/2022	New issuance	30,000	Common Stock	\$0.00	Yes	Jeffrey Shepard	Pursuant to Private Placement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)

1/19/2022	New issuance	30,000	Common Stock	\$0.00	Yes	Stephen Buck	Pursuant to Private Placement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
1/19/2022	New issuance	500,000	Common Stock	\$0.01	Yes	Patrick Murphy	Pursuant to Private Placement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
1/19/2022	New issuance	330,000	Common Stock	\$0.03	Yes	N. Lewis Lesser	Pursuant to Private Placement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
1/21/2022	New issuance	855,660	Common Stock	\$0.03	Yes	Thomas Hein	Pursuant to Private Placement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
1/24/2022	New issuance	1,700,000	Common Stock	\$1.20	Yes	CBAM Equity Fund, LP (Charles Rini)	Pursuant to Private Placement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
2/3/2022	New issuance	2,599,001	Common Stock	\$0.02	Yes	Richard Gostanian	Debt conversion pursuant to Settlement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
3/31/2022	New issuance	1,044,000	Common Stock	\$0.10	Yes	Mark Reinisch	Debt conversion pursuant to Settlement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
4/25/2022	New issuance	1,435,550	Common Stock	\$0.03	Yes	PML Process Management LTD (Ben Perino)	Pursuant to Private Placement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
4/25/2022	New issuance	250,000	Common Stock	\$0.01	Yes	Robert O'Brien	Pursuant to Private Placement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
5/26/2022	New issuance	1,055,000	Common Stock	\$0.08	Yes	Richard Pyle	Pursuant to Private Placement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
6/7/2022	New issuance	100,000	Common Stock	\$0.03	Yes	Bart Valdez	Pursuant to Private Placement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
6/7/2022	New issuance	100,000	Common Stock	\$0.03	Yes	Peggy Kingston	Pursuant to Private Placement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
6/7/2022	New issuance	100,000	Common Stock	\$0.03	Yes	Sophie Cutler	Pursuant to Private Placement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)

6/7/2022	New issuance	100,000	Common Stock	\$0.03	Yes	Thomas Hein	Pursuant to Private Placement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
6/9/2022	New issuance	275,000	Common Stock	\$0.05	Yes	Allan Brooks	Pursuant to Private Placement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
6/9/2022	New issuance	36,410	Common Stock	\$0.10	Yes	Ryan Dombrowski	Debt conversion pursuant to Settlement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
7/21/2022	New issuance	100,000	Common Stock	\$0.05	Yes	Dale Para	Pursuant to Private Placement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
7/21/2022	New issuance	48,530	Common Stock	\$0.10	Yes	Lauren Valdez	Debt conversion pursuant to Settlement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
7/21/2022	New issuance	35,000	Common Stock	\$0.29	Yes	Janet O'Brien	Pursuant to Private Placement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
7/21/2022	New issuance	250,000	Common Stock	\$0.03	Yes	Bart Valdez	Pursuant to Private Placement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
8/26/2022	New issuance	300,000	Common Stock	\$0.05	Yes	Geoff Lee	Pursuant to Private Placement Agreement	Restricted	Section 4(a)(2) and/or Regulation D 506(b)
Shares Outstanding on Date of This Report:									
Ending Balance:									
Date 9/30/2022									
Common: 69,314,425									
Preferred: N/A									

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.)
12/10/2017	\$94,000	\$204,000	\$34,880	12/10/2021	Optional conversion to common stock at a rate of \$0.10 per share	Paloozoo holders	Loan
9/8/2021	\$75,000	\$75,000	\$0	9/8/2026	Warrant for 500,000 shares of common stock at strike price of \$1.50 per share	Max Cohodes	Loan
1/1/2022	\$400,000	\$400,000	\$15,000	12/31/2025	Optional conversion to common stock at a rate of \$2.14 per share	Derrick Spatorico	MDS Purchase and Sale Agreement
1/1/2022	\$50,000	\$50,000	\$1,875	12/31/2025	Optional conversion to common stock at a rate of \$2.00 per share	Jeffrey Shepard	MDS Purchase and Sale Agreement
6/30/2022	\$425,000	\$525,000	\$0	Based upon cumulative revenue milestones	Within 45 days of the following events, AMFL share pay to Lender: \$125,000 upon the company achieving cumulative gross revenue of \$2,500,000; an additional \$125,000 upon the company achieving cumulative gross revenue of \$5,000,000; and an additional \$175,000 upon the company achieving cumulative gross revenue of \$7,500,000	NYU (Robert Fechter)	Refinance of loan with original issue date 12/16/2011
8/31/2022	\$10,000	\$10,000	\$41	8/31/2023	Interest shall accrue at a rate of 5% per annum on the principal loan balance	American Films LLC (Lynne Murphy)	Short-term loan
9/23/2022	\$100,000	\$100,000	\$175	9/23/2023	Interest shall accrue at a rate of 9% per annum on the principal loan balance	Rosina Gabriele	Short-term loan

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: Jamie Warren
Title: _____
Relationship to Issuer: Chief Financial Officer

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.

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").

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.

Financial statements included below, see Exhibit A.

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")

American Films, Inc. (the "Company") is an emerging technology company serving as an advocate for copyright holders across the globe. The Company's unique proprietary processes and technology are held at its wholly owned subsidiary, FACTERRA, which includes a web-based evidence gathering program that identifies instances of copyright infringement and allows the Company and others to enforce intellectual property rights. American Films, Inc. supports the creative process and protects intellectual property in the film and music industries.

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

*Facterra LLC (wholly owned subsidiary of American Films, Inc.)
Facterra LTDA (wholly owned subsidiary of Facterra LLC)
Maker Data Services LLC (wholly owned subsidiary of American Films, Inc.)*

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

Every year, there are billions of online piracy events worldwide. Federal governments across the globe have created a regulatory framework that is supposed to deter the illegal downloading or streaming of copyrighted media, but every year the online piracy problem grows in scope. Despite pervasive online piracy activity, copyright holders and intellectual property owners have few tools to pursue recourse or remuneration. American Films, Inc. and its partners

have developed a suite of tools that help intellectual property owners identify instances of copyright infringement and piracy using BitTorrent technology and other platforms. The Company seeks to develop a suite of subscription products that will enable copyright holder and intellectual property owners to identify instances of online piracy on a real time basis in the United States and across the globe. In addition, the Company will partner with all stakeholders including copyright holders, government agencies, and internet service providers to pursue programs that address historical copyright infringement and online piracy activity.

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.

American Films, Inc. leases its principal office located at 1132 Kane Concourse, Suite 201, Bay Harbor Islands, FL 33154. American Films, Inc. entered into the operating lease agreement on December 1, 2022, with a one-year term. The monthly lease payment is USD \$1,050.

Facterra, LLC, a wholly owned subsidiary of American Films, Inc., leases an office in Sao Paulo, Brazil. Facterra, LLC, entered into the operating lease agreement on November 1, 2022, with a two-year term. The monthly lease payment is BRL \$5,500.

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
Geoff Lee	CEO, and Director	Ethridge, TN	300,000	Common Stock	0.4%	
Craig Campbell	CTO, and Chairman of the Board	New Boston, NH	1,920,000	Common Stock	2.8%	
Bradley Safalow	Director	Marietta, GA	1,000,000	Common Stock	1.4%	

Marshall Faulk	Director	San Diego, CA	416,667	Common Stock	0.6%	
Derrick Spatorico	5% or more owner	Fairport, NY	11,303,192	Common Stock	16.3%	
NYU (Robert Fechter)	5% or more owner	New York, NY	4,812,377	Common Stock	6.9%	

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.

Title: *American Films, Inc., et al. v. Rightscorp, Inc., et al.*

Case Number: 2021-CA-000817

Jurisdiction: 20th Florida Judicial Circuit Court

American Films, Inc. is a co-plaintiff in a lawsuit against Rightscorp, Inc. and its CEO and Chairman seeking more than \$15 million in damages. The lawsuit alleges that the defendants lured AFI into a transaction to acquire Rightscorp, and then the defendants used confidential information from the deal to profit at AFI's expense. AFI is represented by Joshua Alper with Shapiro, Blasi, Wasserman & Hermann, P.A. in connection with this matter.

9) Third Party Providers

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

Securities Counsel

Name: Laura Anthony
Firm: Anthony L.G., PLLC
Address 1: 625 N Flagler Dr #600, West Palm Beach, FL 33401
Phone: 561-514-0936
Email: LAnthony@AnthonyPLLC.com

Accountant or Auditor

Firm: AEH Accounting
Address 1: 724 S. High Street, Mt. Orab, OH 45154
Phone: 513-341-6844
Email: info@aehaccounting.com

Investor Relations

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

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: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

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, Geoff Lee certify that:

1. I have reviewed this Annual Disclosure Statement of American Films, 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.

12/13/2022

/s/GEOFF LEE

Chief Executive Officer

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

Principal Financial Officer:

I, Jamie Warren certify that:

1. I have reviewed this Annual Disclosure Statement of American Films, 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.

12/13/2022

/s/JAMIE WARREN

Chief Financial Officer

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

Exhibit A

Financials Statements and Notes
For the Fiscal Year Ended September 30, 2022

American Films, Inc.
Consolidated Statement of Income
(Unaudited)

	Fiscal Year Ended September 30,	
	2022	2021
Revenues	\$ -	\$ -
Expenses:		
Payroll expense	845,937	40,936
Insurance and legal fees expense	340,555	55,188
Contract services	85,185	16,793
General and administrative expense	252,253	63,621
Depreciation expense	-	975
Total expenses	1,523,930	177,513
Income (Loss) from Continuing Operations	(1,523,930)	(177,513)
Other Income (Expense):		
Gain (loss) on extinguishment of debt	1,173,454	37,500
Interest expense	(36,306)	(79,198)
Other income (expense)	(338,986)	-
Total other income (expense)	798,162	(41,698)
Income (Loss) from Continuing Operations before Income Taxes (Benefit)	(725,768)	(219,211)
Provision for (benefit from) income taxes	(181,035)	(44,600)
Net Income (Loss) from Continuing Operations	(544,733)	(174,611)
Income (loss) from discontinued operations, net of tax	(60,306)	-
Net Income (Loss)	\$ (605,039)	\$ (174,611)
Net Income (Loss) Per Share:		
Basic	\$ (0.01)	\$ (0.00)
Diluted	\$ (0.01)	\$ (0.00)
Weighted average common shares - basic	62,298,864	42,573,018
Weighted average common shares - diluted	62,391,142	42,573,018

The accompanying notes are an integral part of these unaudited consolidated financial statements

American Films, Inc.
Consolidated Statement of Comprehensive Income
(Unaudited)

	Fiscal Year Ended September 30,	
	2022	2021
Net Income (Loss)	\$ (605,039)	\$ (174,611)
Other comprehensive income (loss), net of tax:		
Unrealized holding gain (loss) on available for sale securities (net of tax benefit of \$530 and \$-0-, respectively)	(1,590)	-
Total other comprehensive income (loss), net of tax	(1,590)	-
Comprehensive Income (Loss)	<u>\$ (606,629)</u>	<u>\$ (174,611)</u>

The accompanying notes are an integral part of these unaudited consolidated financial statements

American Films, Inc.
Consolidated Balance Sheet
(Unaudited)

	September 30, 2022	September 30, 2021
<u>ASSETS</u>		
Current assets:		
Cash and cash equivalents	\$ 212,594	\$ 216,580
Marketable securities	3,380	-
Total current assets	215,974	216,580
Noncurrent assets:		
Property and equipment, net	-	8,772
Deferred income taxes	2,063,804	1,881,832
Other assets	475,618	505,440
Noncurrent assets held for sale	674,270	-
Total noncurrent assets	3,213,692	2,396,044
Total Assets	3,429,666	2,612,624
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Current liabilities:		
Accounts payable and accrued liabilities	-	96,987
Accrued interest	51,971	634,778
Notes payable	110,000	2,500
Current liabilities held for sale	10,281	-
Total current liabilities	172,252	734,265
Noncurrent liabilities:		
Warranty liabilities		
NYU debenture, net	425,000	525,000
YA Global convertible debt, net	-	450,000
Other convertible debt, net	544,000	192,500
Common stock w warrant	75,000	75,000
Total warranty liabilities	1,044,000	1,242,500
Total noncurrent liabilities	1,044,000	1,242,500
Total Liabilities	1,216,252	1,976,765
Commitments & Contingencies (Note 5)		
Stockholders' deficit:		
Common stock; \$0.001 par value; authorized 100,000,000 shares, 46,500,415 shares issued and outstanding as of September 30, 2021		
69,314,425 shares issued and outstanding as of September 30, 2022	69,314	46,500
Additional paid-in capital	8,200,115	6,045,732
Treasury stock	(6,914)	-
Accumulated deficit	(6,047,511)	(5,456,373)
Accumulated other comprehensive income (loss)	(1,590)	-
Total Stockholders' Equity	2,213,414	635,859
Total Liabilities and Stockholders' Equity	\$ 3,429,666	\$ 2,612,624

The accompanying notes are an integral part of these unaudited consolidated financial statements

American Films, Inc.
Consolidated Statement of Cash Flows
(Unaudited)

	Fiscal Year Ended September 30,	
	2022	2021
Cash flow s from operating activities		
Net income (loss)	\$ (605,039)	\$ (174,611)
Adjustments to reconcile net income (loss) to net cash provided (used in) operating activities		
Loss (gain) on extinguishment of debt	(1,173,454)	-
Deferred income taxes	(181,035)	(44,600)
Stock compensation expense	116,083	-
Depreciation expense	-	975
Changes in operating assets and liabilities		
Other assets	38,594	(30,022)
Accounts payable and accrued liabilities	(94,594)	9,237
Accrued interest	27,193	77,698
Other liabilities	17,000	-
Other operating activities, net	13,680	-
Net cash provided by (used in) operating activities	(1,841,572)	(161,323)
Cash flow s from investing activities		
Acquisitions, net of cash acquired	(200,000)	-
Expenditures for property, plant and equipment	-	(9,747)
Purchase of marketable securities	(5,500)	-
Net cash provided by (used in) investing activities	(205,500)	(9,747)
Cash flow s from financing activities		
Proceeds from issuance of common stock and w arrants	2,040,000	445,000
Proceeds from notes payable	110,000	-
Proceeds from PPP loan	-	-
Payment of long-term debt	(100,000)	(7,500)
Payment of note payable	-	(50,000)
Repurchase of common stock	(6,914)	-
Net cash provided by (used in) financing activities	2,043,086	387,500
Net increase (decrease) in cash and cash equivalents	(3,986)	216,430
Cash and cash equivalents beginning balance	216,580	150
Cash and cash equivalents ending balance	\$ 212,594	\$ 216,580

The accompanying notes are an integral part of these unaudited consolidated financial statements

American Films, Inc.
Consolidated Statement of Changes in Stockholder' Equity
(Unaudited)

	Fiscal Year Ended September 30,			
	2022		2021	
	Shares	Amount	Shares	Amount
Common Stock, \$0.001 par value; authorized 100,000,000 shares				
Balance, beginning of period	46,500,415	\$ 46,500	41,500,415	\$ 41,500
Issuances of Common Stock	22,814,010	22,814	5,000,000	5,000
Balance, end of period	69,314,425	69,314	46,500,415	46,500
Additional Paid-in-Capital				
Balance, beginning of period		6,045,732		5,680,732
Issuances of Common Stock		2,038,300		365,000
Share-based compensation		116,083		-
Balance, end of period		8,200,115		6,045,732
Treasury Stock				
Balance, beginning of period		-		-
Repurchase of common shares		(6,914)		-
Balance, end of period		(6,914)		-
Retained Earnings (Accumulated Deficit)				
Balance, beginning of period		(5,456,373)		(5,281,762)
Opening balance adjustments		13,901		-
Net income (loss)		(605,039)		(174,611)
Balance, end of period		(6,047,511)		(5,456,373)
Accumulated Other Comprehensive Income (Loss)				
Balance, beginning of period		-		-
Other comprehensive income (loss)		(1,590)		-
Balance, end of period		(1,590)		-
Total Shareholders' Equity		\$ 2,213,414		\$ 635,859

The accompanying notes are an integral part of these unaudited consolidated financial statements

American Films, Inc.
Notes to Consolidated Financial Statements
(unaudited)

1. BACKGROUND AND BASIS OF PRESENTATION

Nature of operations

American Films, Inc. (the "Company") is a Nevada C corporation established in September 1987 under the name Eagles Nest Mining Company, which later was renamed in May 2002 to Nanoscience Technologies, Inc. In January 2012, the Company changed its' name to American Films, Inc. The Company's offices are located at 1132 Kane Concourse, Suite 201, Bay Harbor Islands, FL 33154.

American Films Inc. is an emerging technology company serving as an advocate for copyright holders across the globe. The Company's unique proprietary processes and technology are held at its wholly owned subsidiary, FACTERRA, which includes a web-based evidence gathering program that identifies instances of copyright infringement and allows the Company and others to enforce intellectual property rights. American Films, Inc. supports the creative process and protects intellectual property in the film and music industries.

In January 2022, the Company acquired Maker Data Services LLC ("MDS"), an established provider of identification validation, search, monitoring and valuation services. The technology assets held at MDS are anticipated to be leveraged by the Company to support its core operating strategy serving as an advocate for copyright holders across the globe.

In August 2022, the Company made the decision to focus on its core operating strategy and hold for sale certain assets and liabilities associated with MDS. The Company anticipates the disposal to be completed before the end of calendar year 2022. The expected sale of MDS meets the held for sale criteria and is reflected as discontinued operations with the Consolidated Statement of Income.

Basis of presentation and principles of consolidation

The accompanying unaudited consolidated financial statements were prepared in accordance with U.S. generally accepted accounting principles ("GAAP"). The unaudited consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany transactions have been eliminated. All amounts are reported in U.S. dollars. Amounts reported for fiscal year 2021 have been restated to follow this basis of presentation.

2. SIGNIFICANT ACCOUNTING POLICIES

Use of estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The Company periodically evaluates estimates used in the preparation of the financial statements for reasonableness. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation.

Cash and cash equivalents

The Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Foreign Currency

The reporting currency of the Company is the U.S. dollar. The functional currency of each subsidiary is the applicable local currency. Assets and liabilities are translated at the period-end exchange rate, while all other activity is translated using the average exchange rates during the reporting period. Any resulting gains or losses from translating foreign currency are included in accumulated other comprehensive income (loss). As of September 30, 2022, there were no material foreign currency translation gains or losses.

Impairment of long-lived assets

If facts and circumstances indicate that the Company's long-lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow value is required. The Company considers that no circumstances exist that would require such an evaluation.

Fair value measurement

The Company holds certain marketable securities assets which are recorded at fair value in the Consolidated Balance Sheet as of the period end date. Marketable securities are classified as Level 1 investments based off unadjusted quoted prices in active markets. Any unrealized holding gains or losses are recognized in the Consolidated Statement of Other Comprehensive Income. As of September 30, 2022, the fair value of Level 1 investments was \$3,380.

Stock-based compensation

The Company provides stock-based incentives, including restricted and unrestricted stock awards and performance awards, to officers, employees and non-employee directors. The fair value of awards granted is based on the closing stock price of the Company's common stock on the grant date. Compensation expense is recognized on a straight-line basis over the vesting period. When an award is forfeited prior to the vesting date, the Company recognizes an adjustment to compensation expense in the period of forfeiture. As of September 30, 2022, the Company recognized approximately \$116,000 in stock-based compensation expense, included in General and administrative expense on the Consolidated Statement of Income.

Income taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to the differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. The Company's recoverability of our deferred tax assets is dependent on our ability to generate future taxable income. A valuation allowance is established to reduce deferred tax assets to the amount expected to be realized. At this time the Company does not have a valuation allowance established against its deferred tax assets, however it will continue to monitor the need for future periods.

Recent accounting pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, Leases (Topic 842). ASU 2016-02 requires the lessee's recognition of a right-to-use asset and lease liability on the balance sheet for leases previously classified as operating leases. The ASU was effective for public entities fiscal years beginning after December 15, 2018. For short-term leases, lessees are permitted to make an alternative accounting election to not recognize right-of-use assets or lease liabilities. Lease expense would be recognized over the respective lease term. Management has adopted ASU 2016-02 and elected the alternative accounting election for its short-term leases.

Management believes other recently issued accounting standards that are not yet effective will not have a material impact on the Company's financial position, results of operations or cash flows upon adoption.

3. OTHER ASSETS

Other assets consisted of the following as of September 30, 2022 and 2021, respectively:

	September 30, 2021	September 30, 2021
LP Stock, Paloozoo	\$ 225,618	\$ 225,618
Script Portfolio, net	250,000	250,000
Note receivable	-	29,822
Other Assets	\$ 475,618	\$ 505,440

Script assets are the rights and ownership of over 40 scripts acquired by the Company from Media 8 Entertainment and other sources. Other assets are tied mostly to the data assets including anti-piracy data assets held by and contracted under FACTERRA LLC.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As of September 30, 2022 and 2021, Accounts payable and accrued liabilities consisted of \$-0- and \$96,987, respectively, associated with accrued payroll.

5. COMMITMENT & CONTINGENCIES

The Company is involved in the following on-going legal matters:

Title: American Films, Inc., et al. v. Rightscorp, Inc., et al.
Case Number: 2021-CA-000817
Court: 20th Florida Judicial Circuit Court

American Films, Inc. is a co-plaintiff in a lawsuit against Rightscorp, Inc. and its CEO and Chairman seeking more than \$15 million in damages. The lawsuit alleges that the defendants lured AFI into a transaction to acquire Rightscorp, and then the defendants used confidential information from the deal to profit at AFI's expense. AFI is represented by Joshua Alper with Shapiro, Blasi, Wasserman & Hermann, P.A. in connection with this matter.

6. LONG-TERM DEBT

Debt exchange

In June 2022, the Company completed a debt exchange with New York University (NYU) whereby the Company issued a new long-term note with a principal amount of \$525,000 in exchange for NYU's outstanding long-term note of \$525,000, plus accrued interest of approximately \$323,000. The Company made a \$100,000 payment towards the long-term note, with the remaining balance to be paid upon the Company achieving certain cumulative gross revenue levels. The long-term note with NYU does not accrue interest. Resulting gains on the debt exchange are recognized in Gain (loss) on extinguishment of debt on the Consolidated Statement of Income.

Debt extinguishment and equity redemption

In August 2022, the Company extinguished a convertible note held by YA Global for \$450,000, plus accrued interest of approximately \$265,000, in accordance with the terms of the settlement agreement. Resulting gains on the debt exchange are recognized in Gain (loss) on extinguishment of debt on the Consolidated Statement of Income. Additionally, in accordance with the terms of the settlement agreement, the Company redeemed approximately 10 million shares of its common stock, which will reduce its total shares issued and outstanding.

In July 2022, the Company redeemed 1.5 million shares of common stock held in escrow by Ira J. Gaines as Trustee of The Ira J. Gaines Revocable Trust in accordance with the terms of the settlement agreement. These shares will reduce the Company's total shares issued and outstanding.

7. NET INCOME (LOSS) PER SHARE

Basic net income (loss) per share is calculated by dividing Net income (loss) by the weighted average common shares outstanding for the period. Diluted net income (loss) per share is calculated by dividing Net income (loss) by the weighted average common shares outstanding, including potentially dilutive common shares associated with share-based compensation awards, if the impact of those shares is dilutive. The dilutive effect of share-based compensation awards is calculated using the treasury stock method. The following table reconciles the components of the Company's basic and diluted net income (loss) per share.

	Fiscal Year Ended September 30,	
	2022	2021
Numerator:		
Net Income (Loss) - basis and diluted	\$ (605,039)	\$ (174,611)
Denominator:		
Weighted average common shares outstanding - basic	62,298,864	42,573,018
Plus: Incremental shares from assumed conversions:		
Share-based compensation awards	92,278	-
Weighted average common shares outstanding - diluted	62,391,142	42,573,018
Net Income (Loss) Per Share - Basic	\$ (0.01)	\$ (0.00)
Net Income (Loss) Per Share - Diluted	\$ (0.01)	\$ (0.00)