

## **Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines**

### **DND TECHNOLOGIES, INC.**

a Nevada corporation  
22600-C Lambert Street  
Suite 902  
Lake Forest, CA 92630

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(949) 200-8887  
[website under development]  
office@itonisholdings.com  
SIC Code 6719

### **Annual Report**

**For the period ending: December 31, 2022 (the "Reporting Period")**

#### **Outstanding Shares**

The number of shares outstanding of our Common Stock was:

31,402,259 as of December 31, 2022 [Current Reporting Period Date or More Recent Date]

31,402,259 as of December 31, 2021 [Most Recent Completed Fiscal Year End]

#### **Shell Status**

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 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: ☒

#### **Change in Control**

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes: ☐ No: ☒

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<sup>1</sup> "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.

## 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.

The Issuer was incorporated as DND Technologies, Inc. on May 9, 1997.

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): July 5, 2005 in Nevada. Status is active.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception: None known.

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:  
22600-C Lambert Street, Suite 902, Lake Forest, California 92630.

The address(es) of the issuer's principal place of business:  
☒ *Check 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?

No: ☒ Yes: ☐ If Yes, provide additional details below:

## 2) Security Information

### Transfer Agent

Name: Action Stock Transfer Corp.  
Phone: (801) 274-1088  
Email: action@actionstocktransfer.com  
Address: 2469 E. Fort Union Blvd, Suite 214, Salt Lake City, Utah 84121

### Publicly Quoted or Traded Securities:

*The goal of this section is to provide a clear understanding of the share information for its publicly quoted or traded equity securities. Use the fields below to provide the information, as applicable, for all outstanding classes of securities that are publicly traded/quoted.*

Trading symbol:	<u>DNDT</u>	
Exact title and class of securities outstanding:	<u>Common</u>	
CUSIP:	<u>23325K 204</u>	
Par or stated value:	<u>\$0.001</u>	
Total shares authorized:	<u>800,000,000</u>	as of date: December 31, 2022.
Total shares outstanding:	<u>31,402,259</u>	as of date: December 31, 2022.
Total number of shareholders of record:	<u>72</u>	as of date: December 31, 2022.

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

Trading symbol:	<u>No other classes of publicly traded securities.</u>	
Exact title and class of securities outstanding:	_____	
CUSIP:	_____	
Par or stated value:	_____	
Total shares authorized:	_____	<u>as of date:</u> _____
Total shares outstanding:	_____	<u>as of date:</u> _____
Total number of shareholders of record:	_____	<u>as of date:</u> _____

**Other classes of authorized or outstanding equity securities:**

*The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g. preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.*

Exact title and class of the security:	<u>No other classes of publicly traded securities.</u>	
CUSIP (if applicable):	_____	
Par or stated value:	_____	
Total shares authorized:	_____	<u>as of date:</u> _____
Total shares outstanding (if applicable):	_____	<u>as of date:</u> _____
Total number of shareholders of record (if applicable):	_____	<u>as of date:</u> _____

**Security Description:**

*The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:*

- 1. For common equity, describe any dividend, voting and preemption rights:** Holders of common stock shares are entitled to vote at any meeting of stockholders as allowed by law. The corporation has not declared or authorized any dividends or preemption rights.
- 2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.** No preferred stock class.
- 3. Describe any other material rights of common or preferred stockholders.** No other.
- 4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.** None.

**3) Issuance History**

The goal of this section is to provide disclosure with respect to each event that resulted in any 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

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: ☒ Yes: ☐ (If yes, you must complete the table below)

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>3/31/2018</u> Common: <u>31,402,259</u> Preferred: <u>0</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.  *You must disclose the control person(s) for any entities listed.	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>12/31/2022</u> Common: <u>31,402,259</u> Preferred: <u>0</u>									

**Example:** A company with a fiscal year end of December 31<sup>st</sup>, in addressing this item for its Annual Report, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2021 through December 31, 2022 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above: None.

## B. Promissory and Convertible Notes

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities :

No: ☐ Yes: ☒ (If yes, you must complete the table below)

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.  *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g. Loan, Services, etc.)
<u>7/23/2005</u>	<u>\$300,000</u>	<u>\$300,000</u>	_____	<u>1/27/2006</u>	<u>None.</u>	<u>Charlie Abujudeh by assignment</u>	<u>Loan.</u>

<u>10/15/2010</u>	<u>\$50,000</u>	<u>\$50,000</u>	<u>_____</u>	<u>10/15/2011</u>	<u>Based on prior month's average closing price.</u>	<u>Charlie Abujudeh by assignment</u>	<u>Loan</u>
<u>12/31/2017</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>_____</u>	<u>12/31/2018</u>	<u>Conversion at \$0.001/share.</u>	<u>CZA, Inc. (control: Doris Vo)</u>	<u>Loan</u>
<u>12/30/2022</u>	<u>\$10,000</u>	<u>\$10,000</u>	<u>_____</u>	<u>12/30/2023</u>	<u>Conversion rate at lesser of \$0.001 per share or one-half of trading share price.</u>	<u>Mark Cheung</u>	<u>Loan</u>

Use the space below to provide any additional details, including footnotes to the table above: None.

#### 4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.  
(Please ensure that these descriptions are updated on the Company's Profile on [www.otcmarkets.com](http://www.otcmarkets.com)).

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

The Company operates principally via its wholly-owned subsidiary, THCA Beverage Company, Inc., which produces an infused beverage product that helps promote calmness and wellness and helps alleviate anxiety. The Company is currently undergoing research and development of their beverages. The Company is using its moderate sales to conduct market research with the intention of developing a marketing plan to distribute its beverages on a much broader scale. Meanwhile, the Company continues with its aggressive plan to acquire high growth entrepreneurial companies that have established or are expected to establish themselves as leaders and successful enterprises in various market niches.

B. List any subsidiaries, parent company, or affiliated companies.

THCA Beverage Company, Inc.

C. Describe the issuers' principal products or services.

The Company operates principally via its wholly-owned subsidiary, THCA Beverage Company, Inc., which produces an infused beverage product that helps promote calmness and wellness and helps alleviate anxiety. The Company is currently undergoing research and development of their beverages. The Company is using its moderate sales to conduct market research with the intention of developing a marketing plan to distribute its beverages on a much broader scale. Meanwhile, the Company continues with its aggressive plan to acquire high growth entrepreneurial companies that have established or are expected to establish themselves as leaders and successful enterprises in various market niches.

#### 5) 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's corporate headquarters are located in approximately 1,728 square feet of leased office space in Lake Forest, California pursuant to a lease that expires in September 2023. In the opinion of management, the Company's current space is adequate for its operating needs.

## 6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuer's securities, 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.**

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

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.

Names of All Officers, Directors and Control Persons	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	Names of control person(s) if a corporate entity
<u>Mark Cheung</u>	<u>CEO, CFO Secretary, Director</u>	<u>Lake Forest, CA</u>	16 million	<u>Common</u>	<u>51% of outstanding</u>	_____
<u>Abraham Abu</u>	<u>&gt;5% shareholder</u>	<u>Laguna Hills, CA</u>	<u>10 million</u>	<u>Common</u>	<u>34% of outstanding</u>	_____
_____	_____	_____	_____	_____	_____	_____

## 7) Legal/Disciplinary History

A. 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.

## 8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

Accountant or Auditor

Name: Jill Twombly  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

Investor Relations

Name: None.  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

*All other means of Investor Communication:*

Twitter: \_\_\_\_\_  
Discord: \_\_\_\_\_  
LinkedIn: \_\_\_\_\_  
Facebook: \_\_\_\_\_  
[Other ] \_\_\_\_\_

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), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Nature of Services: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

## 9) Financial Statements

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

- ☐ IFRS  
☒ U.S. GAAP

B. The following financial statements were prepared by (name of individual)<sup>2</sup>:

Name: Jill Twombly

Title: Accountant

Relationship to Issuer: Outside retained accountant

Describe the qualifications of the person or persons who prepared the financial statements: Jill Twombly has an MBA degree in Finance, has over 30 years of experience in corporate accounting and public company financials.

Provide the following financial statements 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.

- a. Audit letter, if audited;
- b. Balance Sheet;
- c. Statement of Income;
- d. Statement of Cash Flows;
- e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- f. Financial Notes

## 10) Issuer Certification

*Principal Executive Officer & Principal Financial 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, Mark Cheung, certify that:

1. I have reviewed this Disclosure Statement for DND Technologies, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

March 20, 2023 [Date]

/s/ Mark Cheung [CEO's & CFO's Signature]

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

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<sup>2</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

**DND Technologies, Inc**  
**Balance Sheet Unaudited**  
As of December 31, 2022

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	Dec 31, 22
<b>ASSETS</b>	
<b>Current Assets</b>	
Checking/Savings	
Cash	2,993.00
<b>Total Checking/Savings</b>	2,993.00
<b>Total Current Assets</b>	2,993.00
<b>Other Assets</b>	
Investment in Itonis	25,000.00
<b>Total Other Assets</b>	25,000.00
<b>TOTAL ASSETS</b>	<b>27,993.00</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Other Current Liabilities</b>	
Accounts Payable	500.00
Accrued Interest	1,206,293.00
Advances from Related Parties	149,200.00
Due to Officer	213,750.00
Notes Payable	365,000.00
<b>Total Other Current Liabilities</b>	1,934,743.00
<b>Total Current Liabilities</b>	1,934,743.00
<b>Total Liabilities</b>	1,934,743.00
<b>Equity</b>	
Common Stock	31,402.00
Paid in Capital	2,749,815.00
Retained Earnings	-4,609,192.00
Net Income	-78,775.00
<b>Total Equity</b>	-1,906,750.00
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>27,993.00</b>

**DND Technologies, Inc**  
**Statement of Operations Unaudited**  
January through December 2022

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	Jan - Dec 22
Ordinary Income/Expense	
Income	
Revenues	1,440.00
Total Income	1,440.00
Cost of Goods Sold	
Cost of Goods Sold	1,415.00
Total COGS	1,415.00
Gross Profit	25.00
Expense	
Interest Expense	26,000.00
Officer Compensation	42,000.00
Rent Expense	10,800.00
Total Expense	78,800.00
Net Ordinary Income	-78,775.00
Net Income	<b>-78,775.00</b>

**DND Technologies, Inc**  
**Statement of Cash Flows Unaudited**  
January through December 2022

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	Jan - Dec 22
<b>OPERATING ACTIVITIES</b>	
Net Income	-78,775.00
Adjustments to reconcile Net Income to net cash provided by operations:	
Accrued Interest	26,000.00
Advances from Related Parties	10,800.00
Due to Officer	42,000.00
Net cash provided by Operating Activities	25.00
Net cash increase for period	25.00
Cash at beginning of period	2,968.00
Cash at end of period	<b>2,993.00</b>

DND Technologies, Inc.  
Statement of Stockholders Equity  
December 31, 2022  
Unaudited

	Common Shares		Paid In Capital	Accum Earnings	Total Stockholders Equity
	Shares	Amount			
<b>Balance 12/31/2021</b>	31,402,259	31,402	2,749,815	(4,609,192)	(1,827,975)
Net Income(loss) 3/30/22				(19,675)	(19,675)
Net Income(loss) 6/30/22				(19,700)	(19,700)
Net Income(loss) 9/30/22				(19,700)	(19,700)
Net Income(loss) 12/31/22				(19,700)	(19,700)
<b>Balance 12/31/22</b>	31,402,259	31,402	2,749,815	(4,687,967)	(1,906,750)

**NOTES TO FINANCIAL STATEMENTS**  
**(unaudited)**  
**Prepared by Management**  
**2022**

**NOTE 1 - ORGANIZATION AND BASIS OF PRESENTATION**

These Consolidated financial statements are prepared following a reverse acquisition and are issued under the name of the DND Technologies ("DND"), the legal parent (accounting acquiree) but are described in these footnotes as a continuation of the financial statements of OC Sparkle, Inc. the legal subsidiary (accounting acquirer), with one adjustment, which is to adjust retroactively the accounting acquirer's legal capital to reflect the legal capital of the accounting acquire for all periods presented. The comparative information presented in these consolidated financial statements also is retroactively adjusted to reflect the legal capital of the legal parent (accounting acquiree) for all periods presented. All intercompany transactions have been eliminated.

DND intended to issue 10,000,000 shares of common stock to the founder of OC Sparkle, Inc. in exchange for the assets of the OC Sparkle, Inc. and an additional 10,000,000 common shares to the new executive team. DND was acquired concurrent with the acquisition of OC Sparkle. Accounts payable of approximately \$8,300 and notes payable and related interest of \$520,580 remained from prior operations. In a related transaction, a party related to OC Sparkle, Inc. acquired the outstanding notes payable of DND from the holder of the notes. For purposes of describing the activities of the new entity, interest on these notes is included in comparative financial statements in the period accrued.

OC Sparkle, Inc. that was formed during 2012 and began operations during 2013, provides on-line sales of high fashion dresses through its website, OCSPARKLE.COM, and at its retail store in Laguna Niguel, California. The DND decided to pursue other avenues of commerce and reached an agreement with the management of OC Sparkle to exit the company on January 1, 2018. The intended shares were never issued.

On November 6, 2017 the Company formed THCA Beverage Company, Inc, a Wyoming based wholly owned corporation that is in the beverage business. THCA is DND's only operating division.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Accounting Basis-** These financial statements have been prepared on the accrual basis of accounting following generally accepted accounting principles in the United States of America consistently applied.

**Principles of Consolidation** -The consolidated financial statements consist of the financial information of DND Technologies investments and its wholly owned subsidiary, THCA , Inc. All intercompany transactions have been eliminated.

**Use of Estimates** - The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Cash and Cash Equivalents** - For purposes of reporting cash flows, DND Technologies considers all investments purchased with a maturity of three months or less to be cash equivalents. DND Technologies maintains its cash in bank deposit accounts, that do not exceed federally insured limits.

**Inventory** – Inventory is stated at lower of cost or market, determined by the first-in, first-out method.

**Income Taxes** - DND Technologies accounts for uncertain tax positions in accordance with the authoritative guidance issued by the FASB on income taxes which addresses how it should recognize, measure and present in income taxes in these financial statements uncertain tax positions that have been taken or are expected to be taken in a tax return. Pursuant to this guidance, the Company can recognize a tax benefit only if it is “more likely than not” that a particular tax position will be sustained upon examination or audit. To the extent the “more likely than not” standard has been satisfied, the benefit associated with a tax position is measured as the largest amount that is greater than 50% likely of being realized upon settlement. No liability for unrecognized tax benefits was recorded as of December 31, 2021 and this Reporting Period.

The company has subsequent book losses through this Reporting Period, a portion of which may be used to offset future taxable gains of the Company. The value of these loss carry forwards has also been fully reserved until the Company is successfully able to generate future net income. Timing differences related to the Company’s operations which exist between tax and book reporting include inventory valuations, property and equipment and expenses related to transactions conducted in the Company’s own stock and accrued interest.

**Share-Based Payments** - The Company accounts for share-based payments in accordance with the authoritative guidance issued by the FASB on stock compensation, which establishes the accounting for transactions in which an entity exchanges its equity instruments for goods or services. Under the provisions of the authoritative guidance, share-based compensation expense for stock options is measured at the grant date, based on the fair value of the award, and is recognized as an expense over the requisite employee service period (generally the vesting period). The Company estimates the fair value of share-based payments using the Black-Sholes option-pricing model. Additionally, share-based awards to non-employees are expensed over the period in which the related services are rendered at their fair value. The Company has issued no stock options to date.

**Basic and Diluted Loss per Share** – Basic loss per share is calculated on the basis of weighted-average number of shares of common stock outstanding during the year. Diluted loss per share is computed using the weighted-average number of shares of common stock outstanding during the year, adjusted for the dilutive effect of common stock equivalents consisting of shares that would be issued upon exercise of common stock options and warrants.

**Fair Value of Financial Instruments** - The carrying value of short-term financial instruments, including cash and cash equivalents, accounts receivable, inventories, accounts payable and accrued expenses and short-term borrowings approximate fair value due to the relatively short period to maturity for these instruments. The long-term borrowings approximate fair value since the related rates of interest approximates current market rates.

**Recent Accounting Pronouncements**- The Company has evaluated pronouncements through Accounting Standards Updates “ASU” 2021-05 and believes that none of them will have a material impact on the Company’s financial position, results of operations or cash flows.

### **NOTE 3 - GOING CONCERN**

The accompanying financial statements have been prepared assuming the Company will continue as a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. However, the Company has incurred significant losses and has an accumulated deficit.

The Company is dependent on obtaining adequate capital to fund operating losses until it becomes profitable. If the Company is unable to obtain the necessary funding it could cease operations as a new enterprise.

Management anticipates that the Company will be dependent, for the near future, on additional investment capital to fund operating expenses. The Company intends to position itself so that it may be able to raise additional funds through the capital markets. In light of management's efforts, there are no assurances that the Company will be successful in this or any of its endeavors or become financially viable and continue as a going concern. This raises substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments that might result from this uncertainty.

### **NOTE 4 – NOTES PAYABLE**

On July 22, 2005, the Company entered into a promissory note with a penalty interest rate of 24% with an unrelated party for \$300,000 and another for \$50,000 with an interest rate of 10%. Both these notes are in default. The \$50,000 note is convertible into the Company's common stock at market value at the election of the note holder.

During 2017 the company entered into a note payable for \$10,000 and another in 2018 for \$5,000. Each of these notes bear an interest rate of 10% and are convertible into the Common Stock of the Company at par value.

All notes are considered past due and are included in current assets.

The Company has accrued \$1,110,293 on the note through December 31, 2022.

### **NOTE 5 – RELATED PARTY TRANSACTIONS**

The Company has also received \$138,400 in advances payable a related party. These advances are interest free and due on demand.

The CEO and Director of the Company receives compensation of \$3,500 per month plus \$900 per month for office rent.

### **NOTE 6 – STOCKHOLDERS' EQUITY**

**Common Stock**

On January 17, 2013 a FINRA approved 1 share for 100 shares "Reverse Split" of the Common Stock of the Company. The affect of this reverse split of the common stock is shown for all periods presented.

During 2018, the Company issued 2,000,000 shares of common stock for consulting and executive compensation to a related party with a value of \$48,000.

No shares were issued during 2021 and this Reporting Period.

The Common Stock has a par value of \$.001 and there are 31,402,358 outstanding as of December 31, 2021 and this Reporting Period.

**NOTE 7 - MAJOR CUSTOMERS**

The Company's sales are to the general public and it is not dependent on any major customers.