

**[Epazz, Inc.]**

[55 E Jackson Blvd., Chicago, IL 60604 ]

---

[312-955-8161]

[www.epazz.com]

[investors@epazz.net]

## **[Annual] Report**

**For the period ending [December 31, 2023] (the “Reporting Period”)**

### **Outstanding Shares**

The number of shares outstanding of our Common Stock was:

[1,150,612,852] as of [December 31, 2023] *(Current Reporting Period Date or More Recent Date)*

[536,012,852] as of [December 31, 2022] *(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>4</sup> of the company has occurred during this reporting period:

Yes: ☐ No: ☒

---

<sup>4</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 and names used by predecessor entities, along with the dates of the name changes.

N/A

Current State and Date of Incorporation or Registration: Wyoming and May 16, 2017

Standing in this jurisdiction: (e.g. active, default, inactive): Active

Prior Incorporation Information for the issuer and any predecessors during the past five years:

Illinois since March 23, 2000

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

N/A

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

None

Address of the issuer's principal executive office:

55 E. Jackson Blvd. Chicago, IL 60604

Address of the issuer's principal place of business:

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

325 N Milwaukee, Suite G1, Wheeling, IL 60090

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: Colonial Stock Transfer Company, Inc.

Phone: (801) 355-5740

Email: issuers@colonialstock.com

Address: 7840 S. 700 E. Sandy, UT 84070

**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>EPAZ</u>	
Exact title and class of securities outstanding:	<u>Class A Common Stock</u>	
CUSIP:	<u>29413V606</u>	
Par or stated value:	<u>\$0.01</u>	
Total shares authorized:	<u>2,000,000,000</u>	as of date: <u>December 31, 2023</u>
Total shares outstanding:	<u>1,150,612,852</u>	as of date: <u>December 31, 2023</u>
Total number of shareholders of record:	<u>64</u>	as of date: <u>December 31, 2023</u>

Please provide the above-referenced information for all other publicly quoted or traded securities of the issuer.

N/A

**Other classes of authorized or outstanding equity securities that do not have a trading symbol:**

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 that do not have a trading symbol). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Please provide the above-referenced information for all other classes of authorized or outstanding equity securities.

Exact title and class of securities outstanding:	<u>Class B Common Stock</u>	
CUSIP:	<u>29413V606</u>	
Par or stated value:	<u>\$0.01</u>	
Total shares authorized:	<u>23,000,000</u>	as of date: <u>December 31, 2023</u>
Total shares outstanding:	<u>23,000,000</u>	as of date: <u>December 31, 2023</u>
Total number of shareholders of record:	<u>1</u>	as of date: <u>December 31, 2023</u>

Exact title and class of the security:	<u>Series A Preferred Stock</u>	
CUSIP (if applicable):	<u></u>	
Par or stated value:	<u>\$0.01</u>	
Total shares authorized:	<u>5,000,000</u>	as of date: <u>December 31, 2023</u>
Total shares outstanding (if applicable):	<u>5,000,000</u>	as of date: <u>December 31, 2023</u>
Total number of shareholders of record (if applicable):	<u>1</u>	as of date: <u>December 31, 2023</u>

Exact title and class of the security:	<u>Series B Preferred Stock</u>	
CUSIP (if applicable):	<u></u>	
Par or stated value:	<u>\$0.01</u>	
Total shares authorized:	<u>5,000,000</u>	as of date: <u>December 31, 2023</u>
Total shares outstanding (if applicable):	<u>3,900,727</u>	as of date: <u>December 31, 2023</u>
Total number of shareholders of record (if applicable):	<u>6</u>	as of date: <u>December 31, 2023</u>

Exact title and class of the security:	<u>Series C Preferred Stock, Series C</u>	
--	---	--

CUSIP (if applicable):		
Par or stated value:	<u>\$0.01</u>	
Total shares authorized:	<u>300,000,000</u>	as of date: <u>December 31, 2023</u>
Total shares outstanding (if applicable):	<u>168,896,331</u>	as of date: <u>December 31, 2023</u>
Total number of shareholders of record (if applicable):	<u>4</u>	as of date: <u>December 31, 2023</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.**

Common Stock, Class A.

The Company has two billion (2,000,000,000) authorized shares of \$0.01 par value Class A Common Stock.

Convertible Common stock, Class B.

The Company has twenty-three million (23,000,000) authorized shares of \$0.01 par value Convertible Class B Common Stock, convertible at the option of the holder into shares of the Company's Class A Common Stock on a 1:10,000 basis. Effective January 14, 2014, the preferential voting rights of the Convertible Class B Common Stock were changed from preferential voting rights of 2,000 votes to each Class A Common Stock vote (2,000:1) to 10,000 votes to each Class A Common Stock vote (10,000:1). The Company shall reserve and keep available out of its authorized but unissued shares of Class A Common Stock such number of shares sufficient to affect the conversions. Common B was not part of the October 6, 2014 reversed stock split.

**Rights to Dividends and on Liquidation.** Each share of Class A Common Stock and Class B Common Stock is entitled to share equally in dividends (other than dividends declared with respect to any outstanding Preferred Stock) when and as declared by our Board of Directors. Upon liquidation, each share of Class A Common Stock and Class B Common Stock is entitled to share equally in our assets available for distribution to the holders of those shares. Any outstanding Preferred Stock would rank senior to the Class A Common Stock and Class B Common Stock in respect of liquidation rights and could rank senior to that stock in respect of dividend rights.

**Voting--General.** Each holder of Class A Common Stock is entitled to one vote per share, and each holder of Class B Common Stock is entitled to 1,000 votes per share.

**Non-Cumulative Voting Rights.** Our Class A Common Stock and Class B Common Stock do not have cumulative voting rights.

**Voting by Class.** Holders of our Class A Common Stock and Class B Common Stock shall vote as one class on any and all shareholder matters.

**Miscellaneous Rights and Provisions.** There are no preemptive rights, subscription rights, or redemption provisions relating to our Class A Common Stock and Class B Common Stock and none of the shares carries any liability for further calls.

**2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.**

**Series A Convertible Preferred Stock**

The Company has five million (5,000,000) authorized shares of \$0.01 par value Series A Convertible Preferred Stock ("Series A Preferred Stock"). The Series A Preferred Stock accrues dividends equal to 1.5% of the Company's revenues per quarter, beginning on January 1st of any calendar year in which the Company has generated revenue over \$2 million, and an additional 24% of the Company's net income beginning on January 1st of any calendar year in which the Company has generated net income over \$2 million. The dividends are payable at the discretion of the Company, provided that any unpaid dividends accrue until paid. The Series A Preferred Stock includes a liquidation preference equal to \$0.01 per share, plus any accrued and unpaid dividends. The Series A Preferred Stock is convertible, at the option of the holder into shares of the Company's Class A Common Stock, with five business days' notice into 60% of the total number of then issued and outstanding shares of Class A Common Stock. The Series A Preferred Stock has limited voting rights, relating solely to matters which adversely affect the rights of the Series A Preferred Stockholders. The Company shall reserve and keep available out of its authorized but unissued shares of Class A Common Stock such number of shares sufficient to affect the conversions. The Series A Preferred Stock shall have 10 votes per share any shareholder matters (other than as expressly stated below under Section 7) or as otherwise provided for by Wyoming law. The Series A Preferred Stock holder shall always be entitled to 20% ownership of Common A Shares. On a quarterly basis, the company will have to evaluate the ownership percentage of Series A Preferred Stock holder to determine their ownership percentage of Common A. If the Series A Preferred holder is under 20% ownership; the company will need to issue enough shares to make sure that the Series A Preferred holder has over 20% ownership of Common A. Subject to the rights of series of Series A Preferred Stock which may from time to time come into existence, so long as any shares of Series A Preferred Stock are outstanding, the Corporation shall not without first obtaining the approval (by written consent, as provided by law) of the holders of 2/3rds of the then outstanding shares of Series A Preferred Stock, voting together as a class: (a) Increase or decrease (other than by redemption or conversion) the total number of authorized shares of Series A Preferred Stock; (b) Effect an exchange, reclassification, or cancellation of all or a part of the Series A Preferred Stock, but excluding a stock split, forward split or reverse stock split of the Corporation's Common Stock or Series A Preferred Stock; (c) Effect an exchange, or create a right of exchange, of all or part of the shares of another class of shares into shares of Series A Preferred Stock; or (d) Alter or change the rights, preferences or privileges of the shares of Series A Preferred Stock so as to affect adversely the shares of such series, including the rights set forth in this Designation. Holders of Series A Preferred Stock shall not be entitled to any preemptive, subscription or similar rights in respect to any securities of the Corporation, except as specifically set forth herein or in any other document agreed to by the Corporation.

**Convertible Preferred Stock, Series B**

The Company has five million (5,000,000) authorized shares of \$0.01 par value Series B Convertible Preferred Stock ("Series B Preferred Stock"). The Series B Preferred Stock accrues dividends equal to 1.5% of the Company's revenues per quarter, beginning on January 1st of any calendar year in which the Company has generated revenue over \$1 million, and an additional 6% of the Company's net income beginning on January 1st of any calendar year in which the Company has generated net income over \$2 million. The dividends are payable at the discretion of the Company, provided that any unpaid dividends accrue until paid. The Series B Preferred Stock includes a liquidation preference equal to \$0.01 per share, plus any accrued and unpaid dividends. The Series B Preferred Stock is convertible, at the option of the holder into shares of the Company's Class A Common Stock, with five business days' notice into 10% of the total number of then issued and outstanding shares of Class A Common Stock, provided that no conversion will take place until all holders of the Series B Preferred Stock consent to such conversion. The Series B Preferred Stock has limited voting rights, relating solely to matters which adversely affect the rights of the Series B Preferred Stock holders. The Company shall reserve and keep available out of its authorized but unissued shares of Class A Common Stock such number of shares sufficient to affect the conversions.

## Convertible Preferred Stock, Series C

The Company has three-hundred million (300,000,000) authorized shares of \$0.01 par value Series C Convertible Preferred Stock ("Series C Preferred Stock"). The Series C Preferred Stock accrues dividends equal to 1.5% of the Company's revenues per quarter, beginning on January 1st of any calendar year in which the Company has generated revenue over \$1 million, and an additional 6% of the Company's net income beginning on January 1st of any calendar year in which the Company has generated net income over \$2 million. The dividends are payable at the discretion of the Company, provided that any unpaid dividends accrue until paid. The Series C Preferred Stock includes a liquidation preference equal to \$0.01 per share, plus any accrued and unpaid dividends. Subject to certain conversion restrictions over the first three months from the original issuance date, each share of Series C Preferred Stock is convertible, at the option of the holder into three (3) shares of the Company's Class A Common Stock, with five business days' notice. The following conversion restrictions shall apply; (i) the holder shall be prohibited from converting any Series C Preferred shares for a period of one (1) month from the original issuance date, (ii) the holder shall be prohibited from converting not more than 30% of the Series C Preferred shares originally issued to holder during the second (2nd) month following the original issuance date, (iii) the holder shall be prohibited from converting not more than 30% (60% in total) of the Series C Preferred shares originally issued to holder during the third (3rd) month following the original issuance date, (iv) the holder shall be prohibited from converting not more than an additional 40% (100% in total) of the Series C Preferred shares originally issued to holder following the end of the third month following the original issuance date. The Series C Preferred Stock shall each vote three voting share and shall vote together with the Common Stock of the Company. The Company shall reserve and keep available out of its authorized but unissued shares of Class A Common Stock such number of shares sufficient to affect the conversions.

Holders of Series A Preferred Stock and holders of Common Stock shall not be entitled to any preemptive, subscription or similar rights in respect to any securities of the Corporation, except as specifically set forth herein or in any other document agreed to by the Corporation.

### 3. Describe any other material rights of common or preferred stockholders.

None

### 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.

On January 10, 2024, Star Financial Corporation converted 20,000,000 shares of Preferred Stock Series C to 60,000,000 shares of Common Stock Class A consistent with the terms of the agreement.

On January 10, 2024, GG Mars Capital, Inc. converted 20,000,000 shares of Preferred Stock Series C to 60,000,000 shares of Common Stock Class A consistent with the terms of the agreement.

On February 7, 2024, GG Mars Capital, Inc. converted 18,122,500 shares of Preferred Stock Series C to 54,367,500 shares of Common Stock Class A consistent with the terms of the agreement.

On February 13, 2024, Star Financial Corporation converted 12,364,500 shares of Preferred Stock Series C to 37,093,500 shares of Common Stock Class A consistent with the terms of the agreement.

On February 29, 2024, Star Financial Corporation converted 400,000 shares of Preferred B to 40,400,000 shares of Preferred Stock Series C consistent with the terms of the agreement.

On March 7, 2024, Star Financial Corporation converted 20,000,000 shares of Preferred Stock Series C to 60,000,000 shares of Common Stock Class A consistent with the terms of the agreement.

On March 13, 2024, GG Mars Capital, Inc. converted 400,000 shares of Preferred Stock Series B to 40,400,000 shares of Common Stock Class A consistent with the terms of the agreement.

### 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.

None

#### A. Changes to the Number of Outstanding Shares for the two most recently completed fiscal years and any subsequent period.

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 Opening Balance  Date <u>January 1, 2022</u>  Common A: <u>491,422,859</u>  Common B: <u>23,000,000</u>  Preferred A: <u>4,739,089</u>  Preferred B: <u>4,200,727</u>  Preferred C: <u>59,021,067</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.
<u>January 14, 2022</u>	<u>Cancel</u>	<u>22,025,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	Star Financial Corporation	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>

						controlled by Fay Passley			
<u>January 14, 2022</u>	<u>New</u>	<u>17,625,000</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	Star Financial Corporation controlled by Fay Passley	<u>Class Conversion</u>	<u>Unrestrict ed</u>	<u>Exemptio n</u>
<u>January 18, 2022</u>	<u>Cancel</u>	<u>8,988,331</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	GG Mars Capital, Inc. controlled by Vivienne Passley	<u>Class Conversion</u>	<u>Restrict ed</u>	<u>Exemptio n</u>
<u>January 18, 2022</u>	<u>New</u>	<u>26,964,993</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	GG Mars Capital, Inc. controlled by Vivienne Passley	<u>Class Conversion</u>	<u>Unrestrict ed</u>	<u>Exemptio n</u>
<u>February 2, 2022</u>	<u>New</u>	<u>1,480,128</u>	<u>Preferred B</u>	<u>.01</u>	<u>No</u>	GG Mars Capital, Inc. controlled by Vivienne Passley	<u>Class Conversion</u>	<u>Restrict ed</u>	<u>Exemptio n</u>
<u>February 2, 2022</u>	<u>New</u>	<u>30,300,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	GG Mars Capital, Inc. controlled by Vivienne Passley	<u>Class Conversion</u>	<u>Restrict ed</u>	<u>Exemptio n</u>
Shares Outstanding  <u>Ending Balance</u>  <u>Ending Balance:</u>  Date <u>December 31, 2022</u> Common A: <u>536,012,852</u>  Common B: <u>23,000,000</u>  Preferred A: <u>4,739,089</u>  Preferred B: <u>3,900,727</u>  Preferred C: <u>74,457,736</u>									



Shares Outstanding									
<u>Beginning Balance</u>									
<u>Beginning Balance:</u>									
Date <u>January 1, 2023</u>									
Common A: <u>536,012,852</u>									
Common B: <u>23,000,000</u>									
Preferred A: <u>4,739,089</u>									
Preferred B: <u>3,900,727</u>									
Preferred C: <u>74,457,736</u>									
<u>January 14, 2023</u>	<u>New</u>	<u>17,625,000</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	Star Financial Corporation controlled by Fay Passley	<u>New Issuance</u>	<u>Restricted</u>	<u>Exemption</u>
<u>January 18, 2023</u>	<u>New</u>	<u>26,964,333</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	GG Mars Capital, Inc. controlled by Vivienne Passley	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>March 10, 2023</u>	<u>Cancel</u>	<u>15,000,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	Cloud Builder, Inc. controlled by Suzanne Schwickert Estate	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>March 10, 2023</u>	<u>New</u>	<u>45,000,000</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	Cloud Builder, Inc. controlled by Suzanne Schwickert Estate	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>March 13, 2023</u>	<u>Cancel</u>	<u>114,000,000</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	Shaun Passley, CEO	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>March 13, 2023</u>	<u>New</u>	<u>259,911</u>	<u>Preferred A</u>	<u>.01</u>	<u>No</u>	Shaun Passley, CEO	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>March 13, 2023</u>	<u>Cancel</u>	<u>17,300,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	GG Mars Capital, Inc. controlled by	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>

						Vivienne Passley			
<u>March 13, 2023</u>	<u>New</u>	<u>39,000,000</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	GG Mars Capital, Inc. controlled by Vivienne Passley	<u>Class Conversion</u>	<u>Unrestricted</u>	<u>Exemption</u>
<u>March 13, 2023</u>	<u>Cancel</u>	<u>12,025,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	Star Financial Corporation controlled by Fay Passley	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>March 13, 2023</u>	<u>New</u>	<u>30,000,000</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	Star Financial Corporation controlled by Fay Passley	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>March 22, 2023</u>	<u>New</u>	<u>20,000,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	Cloud Builder, Inc. controlled by Suzanne Schwickert Estate	<u>Debt Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>March 22, 2023</u>	<u>New</u>	<u>31,250,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	GG Mars Capital, Inc. controlled by Vivienne Passley	<u>Debt Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>March 22, 2023</u>	<u>New</u>	<u>24,675,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	Star Financial Corporation controlled by Fay Passley	<u>Debt Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>April 17, 2023</u>	<u>New</u>	<u>21,276,595</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	Cloud Builder, Inc. controlled by Suzanne Schwickert Estate	<u>Debt Conversion</u>	<u>Unrestricted</u>	<u>Exemption</u>
<u>April 18, 2023</u>	<u>Cancel</u>	<u>10,000,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	GG Mars Capital, Inc. controlled by Vivienne Passley	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>

<u>April 18, 2023</u>	<u>New</u>	<u>30,000,000</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	GG Mars Capital, Inc. controlled by Vivienne Passley	<u>Class Conversion</u>	<u>Unrestricted</u>	<u>Exemption</u>
<u>May 1, 2023</u>	<u>Cancel</u>	<u>10,000,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	GG Mars Capital, Inc. controlled by Vivienne Passley	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>May 1, 2023</u>	<u>New</u>	<u>30,000,000</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	GG Mars Capital, Inc. controlled by Vivienne Passley	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>May 9, 2023</u>	<u>Cancel</u>	<u>12,025,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	Star Financial Corporation controlled by Fay Passley	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>May 9, 2023</u>	<u>New</u>	<u>36,075,000</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	Star Financial Corporation controlled by Fay Passley	<u>Class Conversion</u>	<u>Unrestricted</u>	<u>Exemption</u>
<u>May 9, 2023</u>	<u>Cancel</u>	<u>80,000,000</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	Shaun Passley, CEO	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>May 9, 2023</u>	<u>New</u>	<u>80,000,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	Shaun Passley, CEO	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>May 11, 2023</u>	<u>Cancel</u>	<u>10,000,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	Cloud Builder, Inc. controlled by Suzanne Schwickert Estate	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>May 11, 2023</u>	<u>New</u>	<u>30,000,000</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	Cloud Builder, Inc. controlled by Suzanne Schwickert Estate	<u>Class Conversion</u>	<u>Unrestricted</u>	<u>Exemption</u>

<u>June 26, 2023</u>	<u>Cancel</u>	<u>10,000,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	Cloud Builder, Inc. controlled by Suzanne Schwickert Estate	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>June 26, 2023</u>	<u>New</u>	<u>30,000,000</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	Cloud Builder, Inc. controlled by Suzanne Schwickert Estate	<u>Class Conversion</u>	<u>Unrestricted</u>	<u>Exemption</u>
<u>June 29, 2023</u>	<u>Cancel</u>	<u>10,000,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	GG Mars Capital, Inc. controlled by Vivienne Passley	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>June 29, 2023</u>	<u>New</u>	<u>30,000,000</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	GG Mars Capital, Inc. controlled by Vivienne Passley	<u>Class Conversion</u>	<u>Unrestricted</u>	<u>Exemption</u>
<u>July 13, 2023</u>	<u>Cancel</u>	<u>11,666,667</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	Star Financial Corporation controlled by Fay Passley	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>July 13, 2023</u>	<u>New</u>	<u>35,000,001</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	Star Financial Corporation controlled by Fay Passley	<u>Class Conversion</u>	<u>Unrestricted</u>	<u>Exemption</u>
<u>August 16, 2023</u>	<u>Cancel</u>	<u>10,000,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	Cloud Builder, Inc. controlled by Suzanne Schwickert Estate	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>August 16, 2023</u>	<u>New</u>	<u>30,000,000</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	Cloud Builder, Inc. controlled by Suzanne Schwickert Estate	<u>Class Conversion</u>	<u>Unrestricted</u>	<u>Exemption</u>

<u>September 5, 2023</u>	<u>Cancel</u>	<u>10,000,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	GG Mars Capital, Inc. controlled by Vivienne Passley	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>September 5, 2023</u>	<u>New</u>	<u>30,000,000</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	GG Mars Capital, Inc. controlled by Vivienne Passley	<u>Class Conversion</u>	<u>Unrestricted</u>	<u>Exemption</u>
<u>September 8, 2023</u>	<u>Cancel</u>	<u>13,008,333</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	Star Financial Corporation controlled by Fay Passley	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>September 8, 2023</u>	<u>Cancel</u>	<u>39,024,999</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	Star Financial Corporation controlled by Fay Passley	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>September 28, 2023</u>	<u>New</u>	<u>30,000,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	Cloud Builder, Inc. controlled by Suzanne Schwickert Estate	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>October 3, 2023</u>	<u>Cancel</u>	<u>15,000,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	Cloud Builder, Inc. controlled by Suzanne Schwickert Estate	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>October 3, 2023</u>	<u>New</u>	<u>45,000,000</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	Cloud Builder, Inc. controlled by Suzanne Schwickert Estate	<u>Class Conversion</u>	<u>Unrestricted</u>	<u>Exemption</u>
<u>October 25, 2023</u>	<u>Cancel</u>	<u>10,000,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	GG Mars Capital, Inc. controlled by Vivienne Passley	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>October 25, 2023</u>	<u>New</u>	<u>30,000,000</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	GG Mars Capital, Inc.	<u>Class Conversion</u>	<u>Unrestricted</u>	<u>Exemption</u>

						controlled by Vivienne Passley			
<u>October 25, 2023</u>	<u>Cancel</u>	<u>15,000,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	Star Financial Corporation controlled by Fay Passley	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>October 25, 2023</u>	<u>New</u>	<u>45,000,000</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	Star Financial Corporation controlled by Fay Passley	<u>Class Conversion</u>	<u>Unrestricted</u>	<u>Exemption</u>
<u>November 6, 2023</u>	<u>Cancel</u>	<u>15,000,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	Cloud Builder, Inc. controlled by Suzanne Schwickert Estate	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>November 6, 2023</u>	<u>New</u>	<u>45,000,000</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	Cloud Builder, Inc. controlled by Suzanne Schwickert Estate	<u>Class Conversion</u>	<u>Unrestricted</u>	<u>Exemption</u>
<u>December 4, 2023</u>	<u>Cancel</u>	<u>15,000,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	Cloud Builder, Inc. controlled by Suzanne Schwickert Estate	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>December 4, 2023</u>	<u>New</u>	<u>45,000,000</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	Cloud Builder, Inc. controlled by Suzanne Schwickert Estate	<u>Class Conversion</u>	<u>Unrestricted</u>	<u>Exemption</u>
<u>December 4, 2023</u>	<u>Cancel</u>	<u>20,000,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	Star Financial Corporation controlled by Fay Passley	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>December 4, 2023</u>	<u>New</u>	<u>60,000,000</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	Star Financial Corporation	<u>Class Conversion</u>	<u>Unrestricted</u>	<u>Exemption</u>

						controlled by Fay Passley			
<u>December 4, 2023</u>	<u>Cancel</u>	<u>20,000,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	GG Mars Capital, Inc. controlled by Vivienne Passley	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>December 4, 2023</u>	<u>New</u>	<u>60,000,000</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	GG Mars Capital, Inc. controlled by Vivienne Passley	<u>Class Conversion</u>	<u>Unrestricted</u>	<u>Exemption</u>
<u>December 26, 2023</u>	<u>Cancel</u>	<u>15,000,000</u>	<u>Preferred C</u>	<u>.01</u>	<u>No</u>	Cloud Builder, Inc. controlled by Suzanne Schwickert Estate	<u>Class Conversion</u>	<u>Restricted</u>	<u>Exemption</u>
<u>December 26, 2023</u>	<u>New</u>	<u>45,000,000</u>	<u>Common A</u>	<u>.01</u>	<u>No</u>	Cloud Builder, Inc. controlled by Suzanne Schwickert Estate	<u>Class Conversion</u>	<u>Unrestricted</u>	<u>Exemption</u>

Shares Outstanding on Date of This Report:

Ending Balance

Ending Balance:

Date December 31, 2023

Common A: 1,150,612,852

Common B: 23,000,000

Preferred A: 5,000,000

Preferred B: 3,900,727

Preferred C: 168,896,331

**Example:** A company with a fiscal year end of December 31<sup>st</sup> 2023, 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, 2022 through December 31, 2023 pursuant to the tabular format above.

**\*\*\*Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

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

1. GG Mars Capital, Inc. is controlled by Vivienne Passley, a family member of the CEO.
2. Star Financial Corporation is controlled by Fay Passley, a family member of the CEO.
3. Advocate CPA, Inc. is controlled by James A. Sherman.

## 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. <small>*You must disclose the control person(s) for any entities listed.</small>	Reason for Issuance (e.g. Loan, Services, etc.)
<u>April 3, 2019</u>	<u>\$250,000</u>	<u>0</u>	<u>0</u>	<u>December 31, 2026</u>	<u>Line of Credit for up to \$250,000. 5,000,000 Common A issued as loan origination fee.</u>	Cloud Builder, Inc. controlled by Suzanne Schwickert Estate	<u>Line of credit</u>
<u>August 12, 2019</u>	<u>\$250,000</u>	<u>0</u>	<u>0</u>	<u>December 31, 2026</u>	<u>Line of Credit for up to \$500,000. 20,000,000 Common A issued as loan origination fee.</u>	Cloud Builder, Inc. controlled by Suzanne Schwickert Estate	<u>Line of credit</u>

**\*\*\*Control persons for any entities in the table above must be disclosed in the table or in a footnote here.**

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

Originated August 2, 2013, unsecured promissory note payable owed to Star Financial Corporation, Inc., a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matures on January 17, 2014. In addition, a loan origination fee of \$5,000 was issued as consideration for the loan, and is being amortized on a straight-line basis over the life of the loan, as well as, a loan origination fee, consisting of 3,000,000 shares of Series A Common Stock with a fair market value of \$5,100 was issued as consideration for the loan on August 2, 2013. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%. As of December 31, 2023, the balance of this note was \$3,500.

Originated October 15, 2013, unsecured promissory note payable owed to Star Financial Corporation, Inc., a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matures on September 12, 2015. In addition, a loan origination fee of \$3,000 was issued as consideration for the loan, and is being amortized on a straight-line basis over the life of the loan. The note also carried a liquidated damages fee of \$500 upon default, which was amended and removed on September 19, 2014. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%. As of December 31, 2023, the balance of this note was \$9,000.

Originated February 8, 2014, an unsecured \$13,000 promissory note payable, including a \$3,000 loan origination fee, owed to Star Financial, a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matured on March 30, 2014. In addition, a loan origination fee consisting of 1,000,000 shares of Convertible Series C Preferred Stock valued at \$1,193 was issued as consideration for the loan, and is being amortized on a straight-line basis over the life of the loan. The note also carried a liquidated damages fee of \$500 upon default, which was amended and removed on September 19, 2014. This note was



amended to change the maturity date to December 31, 2025 and the interest rate to 6%. As of December 31, 2023, the balance of this note was \$13,000.

Originated February 21, 2014, an unsecured \$75,000 promissory note payable, including a \$15,000 loan origination fee, owed to Star Financial, a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matured on April 30, 2014. In addition, a loan origination fee consisting of 10,000,000 shares of Convertible Series C Preferred Stock valued at \$9,562 was issued as consideration for the loan, and is being amortized on a straight-line basis over the life of the loan. The note also carried a liquidated damages fee of \$25,000 upon default, which was amended and removed on September 19, 2014. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%. As of December 31, 2023, the balance of this note was \$75,000.

Originated February 22, 2014, a \$100,000 unsecured promissory note payable, including a \$25,000 loan origination fee, owed to GG Mars Capital, Inc., a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matured on April 30, 2014. In addition, a loan origination fee consisting of 15,000,000 shares of Convertible Series C Preferred Stock valued at \$14,266 was issued as consideration for the loan, and is being amortized on a straight-line basis over the life of the loan. The note also carried a liquidated damages fee of \$35,000 upon default, which was amended and removed on September 19, 2014. A portion of this note was converted within the terms of the agreement into 10,500,000 shares of common stock on July 20, 2015. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%. As of December 31, 2023, the balance of this note was \$62,500.

Originated March 28, 2014, an unsecured \$25,000 promissory note payable, including a \$5,000 loan origination fee, owed to Star Financial, a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matured on May 28, 2014. In addition, a loan origination fee consisting of 3,000,000 shares of Convertible Series C Preferred Stock valued at \$2,390 was issued as consideration for the loan, and is being amortized on a straight-line basis over the life of the loan. The note also carried a liquidated damages fee of \$2,500 upon default, which was amended and removed on September 19, 2014. This note was converted outside the terms of the agreement into 7,400,000 shares of common stock on June 29, 2015. The share price on June 29, 2015 was \$0.0122, which equals consideration given of \$90,280; which when compared to the reduction in debt of \$18,500 leads to a loss on conversion of \$71,780. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%. As of December 31, 2023, the balance of this note was \$6,500.

Originated April 23, 2014, an unsecured \$35,000 promissory note payable, including a \$7,000 loan origination fee, owed to Star Financial, a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matured on August 23, 2014. In addition, a loan origination fee consisting of 2,800 shares of Class A Common Stock was issued as consideration for the loan, and is being amortized on a straight line basis over the life of the loan. The note also carried a liquidated damages fee of \$2,500 upon default, which was amended and removed on September 19, 2014. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%. As of December 31, 2023, the balance of this note was \$35,000.

Originated April 24, 2014, a \$150,000 unsecured promissory note payable, including a \$30,000 loan origination fee, owed to GG Mars Capital, Inc., a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matured on June 26, 2014. In addition, a loan origination fee consisting of 8,000 shares of Class A Common Stock was issued as consideration for the loan, and is being amortized on a straight line basis over the life of the loan. The note also carried a liquidated damages fee of \$10,000 upon default, which was amended and removed on September 19, 2014. A portion of this note was converted outside the terms of the agreement into 8,000,000 shares of common stock on July 17, 2015. The share price on July 17, 2015 was \$0.0074, which equals consideration given of \$59,200; which when compared to the reduction in debt of \$20,000 leads to a loss on conversion of \$39,200. Principal of \$5,000 was converted on October 31, 2015 into 100,000,000 Class A Common Stock. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%. As of December 31, 2023, the balance of this note was \$125,000.

Originated May 7, 2014, a \$125,000 unsecured promissory note payable, including a \$25,000 loan origination fee, owed to GG Mars Capital, Inc., a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matured on August 7, 2014. In addition, a loan origination fee consisting of 8,000 shares of Class A Common Stock was issued as consideration for the loan, and is being amortized on a straight line basis over the life of the loan. The note also carried a liquidated damages fee of \$12,500 upon default, which was amended and removed on September 19, 2014. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%. As of December 31, 2023, the balance of this note was \$125,000.

Originated May 28, 2014, an unsecured \$32,500 promissory note payable, including a \$7,500 loan origination fee, owed to Star Financial, a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matures on September 28, 2014. In addition, a loan origination fee consisting of 2,600 shares of Class A Common Stock was issued as consideration for the loan, and is being amortized on a straight line basis over the life of the loan. The note also carried a liquidated damages fee of \$2,500 upon default, which was amended and removed on September 19, 2014. A portion of this note was converted outside the terms of the agreement into 10,000,000 shares of common stock on July 2, 2015. The share price on July 2, 2015 was \$0.0110, which equals consideration given of \$110,000; which when compared to the reduction in debt of \$10,000 leads to a loss on conversion of \$100,000. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%. As of December 31, 2023, the balance of this note was \$22,500.

Originated June 3, 2014, a \$25,000 unsecured promissory note payable, including a \$4,000 loan origination fee, owed to GG Mars Capital, Inc., a corporation owned by an immediate family member of the Company's CEO. The note carried a 15% interest rate, matures on December 3, 2014. The note also carries a liquidated damages fee of \$1,000 upon default, which was amended and removed on September 19, 2014. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%. As of December 31, 2023, the balance of this note was \$5,000.

Originated June 12, 2014, an unsecured \$21,250 promissory note payable, including a \$4,250 loan origination fee, owed to Star Financial, a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matures on October 12, 2014. In addition, a loan origination fee consisting of 1,700 shares of Class A Common Stock was issued as consideration for the loan, and is being amortized on a straight line basis over the life of the loan. The note also carried a liquidated damages fee of \$2,500 upon default, which was amended and removed on September 19, 2014. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%. As of December 31, 2023, the balance of this note was \$21,250.

Originated September 30, 2014, an unsecured \$20,000 promissory note payable, including a \$3,500 loan origination fee, owed to Star Financial, a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matures on December 30, 2014. The note also carried a liquidated damages fee of \$500 upon default, which was amended and removed on September 19, 2014. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%. As of December 31, 2023, the balance of this note was \$20,000.

Originated August 1, 2014, an unsecured \$36,000 promissory note payable, including an \$8,000 loan origination fee, owed to Star Financial, a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matures on December 3, 2014. The note also carried a liquidated damages fee of \$1,000 upon default, which was amended and removed on September 19, 2014. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%. As of December 31, 2023, the balance of this note was \$20,000.

Originated March 2, 2015, an unsecured \$5,000 convertible promissory note, carries a 15% interest rate, matures on May 20, 2015, ("Star Note") owed to Star Financial Corporation, a related party, consisting of a total of \$5,000 of principal and \$447.95 of accrued interest. The October 20, 2014 promissory notes did not carry conversion terms, and were subsequently exchanged for the convertible note. The principal and accrued interest is convertible into shares of common stock at the discretion of the note holder at a price equal to \$0.001. The debt holder was limited to owning 9.99% of the Company's issued and outstanding shares. The convertible feature of this note was forfeited. Previously, this note was included in convertible debts. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%. As of December 31, 2023, the balance of this note was \$2,150.

Originated March 2, 2015, an unsecured \$18,750 convertible promissory note, carries a 15% interest rate, matures on May 28, 2015, ("GG Note") owed to GG Mars, Inc., a related party, consisting of a total of \$18,750 of principal and \$2,196.06 of accrued interest. The March 28, 2014 promissory notes did not carry conversion terms, and were subsequently exchanged for the convertible note. The principal and accrued interest is convertible into shares of common stock at the discretion of the note holder at a price equal to \$0.001. The debt holder was limited to owning 9.99% of the Company's issued and outstanding shares. The convertible feature of this note was forfeited. Previously, this note was included in convertible debts. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%. As of December 31, 2023, the balance of this note was \$300.

Originated June 30, 2015, an unsecured \$30,000 convertible promissory note, carries a 15% interest rate, matures on May 7, 2015, ("Star Note") owed to Star Financial Corporation, a related party, consisting of a total of \$30,000 of principal and \$3,772.60 of accrued interest. The March 7, 2014 promissory notes did not carry conversion terms, and were subsequently exchanged for the convertible note. The principal and accrued interest is convertible into shares of common stock at the discretion of the note holder at a

price equal to \$0.001. The debt holder was limited to owning 9.99% of the Company's issued and outstanding shares. The convertible feature of this note was forfeited. Previously, this note was included in convertible debts. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%. As of December 31, 2023, the balance of this note was \$25,050.

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

The purpose of this section is to provide a clear description of the issuer's current operations. 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")

Epazz, Inc. specializes in enterprise cryptocurrency blockchain mobile apps and cloud business process software with over 500 repeat customers. New Bitcoin Mobile app is a financial technology company that offers a unique Bitcoin and Ethereum payment mobile app software, allowing consumers to acquire Bitcoin at the point-of-sale. The consumer can then use the cryptocurrency or digital currency to make a purchase at the store with ease. Epazz technology makes it easy to convert legacy systems into cloud business process software, for which the company then charges an annual subscription fee. Epazz has acquired eleven software companies that have converted or are in the process of converting their legacy software products to cloud software using Epazz's technology. Epazz then markets the new cloud-based solutions to new and existing customers.

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

Epazz, Inc., Jadian, Inc., ZooOffice, Inc., K9 Sky, Inc., MSHealth, Inc., DeskFlex, Inc., K9 Bytes, Inc., Farmdrone, Inc., Epazz Research and Development, Epazz Limited, Eggina, LLC, Cryobo, Inc., Galaxy Batteries, Inc., Epazz, Inc. (Canada)

All subsidiaries have the same business contact information and officers.

C. Describe the issuers' principal products or services.

See below detailed description.

Epazz BoxesOS v3.0

Epazz BoxesOS v3.0 (Web Infrastructure Operating System) is the Company's flagship product. It is the core package of Epazz, Inc.'s products and services. Epazz BoxesOS integrates with each organization's back-end systems and provides a customizable personal information system for each stakeholder.

AutoHire Software

AutoHire system is the interactive question and online screening and ranking system. The interactive question system provides a means for the client to maintain their own library of questions and to attach selected questions to job opportunities posted. Responses obtained can be used to screen and rank candidates to permit hiring managers to focus their attention on only the most suitable candidates. We believe that result can have a substantial impact on the cost of recruiting and the quality of candidates selected.

Desk Flex Software

DFI developed the Desk/Flex Software ("Desk/Flex") to enhance the value of businesses' real estate investments and modernize their office space. Desk/Flex lets businesses make better use of office space restrictions by enabling employees to instantly access their workstation tools from multiple areas in and outside of the office. Desk/Flex lets employees reserve space in advance or claim space instantly. It adjusts the telephone switch (Private Branch Exchange or "PBX") so that calls ring at the 'desk du jour', or go directly to voice mail when a worker is not checked in.

## Agent Power Software

Agent Power Software (“Agent Power”) is PRMI’s proprietary software line. PRMI believes Agent Power provides vital information and tools for call centers to help improve their workforce management. Historical, real-time, and forecast information is available at the touch of a button to plan, control, and monitor a business’s call center. Coordinated stand-alone modules allow a company to develop employee schedules, track queue and agent performance, communicate this information with the company’s agents and improve workforce management.

## IntelliSys Software

IntelliSys developed the IPMC Software (“IPMC”)(Integrated Plant Management Control) which is a software system design for water and wastewater facility management. IPMC is the technology-based strategy for optimizing operations by automatically collecting, managing, organizing and disseminating information for the operations, management, laboratory, maintenance, and engineering functions.

## K9 Bytes Software

K9 Bytes develops and sells point of sale (“POS”) software products that focus on core application areas related to pet care: pet boarding, daycare, grooming, training, and other pet care services (including dog walking and pet sitting). K9 Bytes products include scheduling, billing, retail inventory and general POS capabilities; including credit and debit card processing, collar printers, digital signature tablets, and biometric/fingerprint identification hardware.

## MS Health Software

MSHSC developed and sells CHMCi, an enterprise-wide solution that includes tools to effectively provide, manage, bill, and track behavioral healthcare and social services. With CMHCi, an organization will realize the benefits of increased efficiency, accountability, and productivity. CMHCi offers server-based, internet, and secure cloud computing enabling the user to access information as required. By maintaining a complete electronic client record, including data collection and reporting across multiple programs, locations, episodes of care, and service providers, CMHCi helps eliminate redundant record keeping. The scheduler component tracks client, staff, and group appointments. Easy to use, it interfaces seamlessly with service authorization tracking, service history, and billing. The integrated financial reporting component provides the basis for an efficient and comprehensive accounting system, including electronic claims and remittance, third party insurance, and client, municipality, and grantor billing.

## Jadian Software

Jadian is a globally-operating software and services company that provides complete solutions for managing compliance, audits, inspections, work orders, licenses/certificates/permits, and enforcement activities. Jadian’s compliance solutions are being used by wide variety of private industry companies and government agencies, including public health agencies, audit and inspection companies, food manufacturers, organic certifiers, road transportation authorities, national accreditation bodies, and federal agencies.

## 5) Issuer’s Facilities

*The goal of this section is to provide investors 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. Describe the location of office space, data centers, principal plants, and other property of the issuer and describe the condition of the properties. Specify if the assets, properties, or facilities are owned or leased and the terms of their leases. If the issuer does not have complete ownership or control of the property, describe the limitations on the ownership.

325 N. Milwaukee Ave., #G1, Wheeling, IL 60090

Lease term, month-to-month.  
55 E. Jackson Blvd, Chicago, IL 60604  
Lease term, 5-year lease.

## 6) All Officers, Directors, and Control Persons of the Company

Using the table below, please provide information, as of the period end date of this report, regarding all officers and directors of the company, or any person that performs a similar function, regardless of the number of shares they own.

In addition, list all individuals or entities controlling 5% or more of any class of the issuer's securities.

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. 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 investors 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 owners.*

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>Shaun Passley</u>	<u>Officer/Director/Control</u>	<u>Chicago, Illinois</u>	<u>8,355,175</u>	<u>Common A</u>	<u>0.7%</u>	<u>_____</u>
<u>GG Mars Capital, Inc.</u>	<u>Shareholder</u>	<u>Arlington Heights, Illinois</u>	<u>33,441,648</u>	<u>Common A</u>	<u>2.9%</u>	<u>Vivienne Passley</u>
<u>Advocate CPA, Inc.</u>	<u>Shareholder</u>	<u>Naperville, Illinois</u>	<u>4,444,758</u>	<u>Common A</u>	<u>0.4%</u>	<u>James A. Sherman</u>
<u>Shaun Passley</u>	<u>Officer/Director/Control</u>	<u>Chicago, Illinois</u>	<u>23,000,000</u>	<u>Common B</u>	<u>100%</u>	<u>_____</u>
<u>Shaun Passley</u>	<u>Officer/Director/Control</u>	<u>Chicago, Illinois</u>	<u>5,000,000</u>	<u>Preferred A</u>	<u>100%</u>	<u>_____</u>
<u>Craig Passley</u>	<u>Shareholder</u>	<u>Vernon Hills, Illinois</u>	<u>592,487</u>	<u>Preferred B</u>	<u>15.2%</u>	<u>_____</u>
<u>GG Mars Capital, Inc.</u>	<u>Shareholder</u>	<u>Arlington Heights, Illinois</u>	<u>1,480,128</u>	<u>Preferred B</u>	<u>37.9%</u>	<u>Vivienne Passley</u>
<u>Star Financial Corporation</u>	<u>Shareholder</u>	<u>Long Grove, Illinois</u>	<u>1,692,128</u>	<u>Preferred B</u>	<u>43.4%</u>	<u>Fay Passley</u>
<u>Shaun Passley</u>	<u>Officer/Director/Control</u>	<u>Chicago, Illinois</u>	<u>80,000,000</u>	<u>Preferred C</u>	<u>47%</u>	<u>_____</u>

<u>Cloud Builder, Inc.</u>	<u>Shareholder</u>	<u>Naperville, Illinois</u>	<u>48,409,331</u>	<u>Preferred C</u>	<u>10.9%</u>	<u>Suzanne Schwickert Estate</u>
<u>GG Mars Capital, Inc.</u>	<u>Shareholder</u>	<u>Arlington Heights, Illinois</u>	<u>8,550,000</u>	<u>Preferred C</u>	<u>22.6%</u>	<u>Vivienne Passley</u>
<u>Star Financial Corporation</u>	<u>Shareholder</u>	<u>Long Grove, Illinois</u>	<u>67,364,500</u>	<u>Preferred C</u>	<u>19.2%</u>	<u>Fay Passley</u>

Confirm that the information in this table matches your public company profile on [www.OTCMarkets.com](http://www.OTCMarkets.com). If any updates are needed to your public company profile, log in to [www.OTCIQ.com](http://www.OTCIQ.com) to update your company profile.

## 7) Legal/Disciplinary History

A. Identify and provide a brief explanation as to whether any of the persons or entities listed above in Section 6 have, in the past 10 years:

1. Been the subject of an indictment or conviction in a criminal proceeding or plea agreement or named as a defendant in a pending criminal proceeding (excluding minor traffic violations);

None

2. Been the subject of 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, financial- or investment-related, insurance or banking activities;

None

3. Been the subject of a finding, disciplinary order or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, a state securities regulator of a violation of federal or state securities or commodities law, or a foreign regulatory body or court, which finding or judgment has not been reversed, suspended, or vacated;

None

4. Named as a defendant or a respondent in a regulatory complaint or proceeding that could result in a "yes" answer to part 3 above; or

None

5. Been the subject 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

6. Been the subject of a U.S Postal Service false representation order, or a temporary restraining order, or preliminary injunction with respect to conduct alleged to have violated the false representation statute that applies to U.S mail.

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 to 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.

Confirm that the information in this table matches your public company profile on [www.OTCMarkets.com](http://www.OTCMarkets.com). If any updates are needed to your public company profile, update your company profile.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Jefferey J. Whitehead, Esq. of Whitehead & Burnett  
Address 1: 6980 O'Bannon Drive, Las Vegas, Nevada 89117  
Address 2: \_\_\_\_\_  
Phone: 702-267-6500  
Email: assistant@whiteheadburnett.com

### Accountant or Auditor

Name: Siddharth Bansal  
Firm: Bansal & Co., LLP  
Address 1: A-6 Maharani Bagh, New Delhi, 100065, India  
Address 2: \_\_\_\_\_  
Phone: 011 4162 6470-71  
Email: info@bansalco.com

### Investor Relations

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

*All other means of Investor Communication:*

X (Twitter): <https://twitter.com/epazz>  
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) Disclosure & Financial Information

A. This Disclosure Statement was prepared by (name of individual):

Name: James A. Sherman  
Title: Certified Public Accountant  
Relationship to Issuer: Accountant

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

- ☐ IFRS  
☒ U.S. GAAP

C. The following financial statements were prepared by (name of individual):

Name: James A. Sherman  
Title: Certified Public Accountant  
Relationship to Issuer: Accountant  
Certified Public Accountant.

Describe the qualifications of the person or persons who prepared the financial statements:<sup>5</sup> Certified Public Accountant.

Provide the following qualifying financial statements:

- ☐ Audit letter, if audited;
- ☐ Balance Sheet;
- ☐ Statement of Income;
- ☐ Statement of Cash Flows;
- ☐ Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- ☐ Financial Notes

### **Financial Statement Requirements:**

- Financial statements must be published together with this disclosure statement as one document.
- Financial statements must be "machine readable". Do not publish images/scans of financial statements.
- Financial statements must be presented with comparative financials against the prior FYE or period, as applicable.
- Financial statements must be prepared in accordance with U.S. GAAP or International Financial Reporting Standards (IFRS) but are not required to be audited.

---

<sup>5</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.





---

# **EPAZZ, INC.**

**Annual Report**

**For Years Ending**

**December 31, 2023 and December 31, 2022**

**CURRENT INFORMATION REGARDING  
Epazz, Inc., a Wyoming Corporation**

The following information is furnished to assist with "due diligence" compliance. The information is furnished pursuant to Rule 15c2-11 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The items and attachments generally follow the format set forth in Rule 15c2-11.

**EPAZZ, INC.**  
**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**  
(Unaudited)

	<b><u>Page</u></b>
<b>Annual Financial Statements</b>	
Consolidated Balance Sheets as of December 31, 2023 and December 31, 2022	2
Consolidated Statements of Operations for the years ended December 31, 2023 and 2022	3
Consolidated Statement of Stockholders' Equity (Deficit) for the years ended December 31, 2023 and 2022	4
Consolidated Statements of Cash Flows for the years ended December 31, 2023 and 2022	5
Notes to Consolidated Financial Statements	6

**EPAZZ, INC.**  
**CONSOLIDATED BALANCE SHEETS**  
**Unaudited**

	<b>As of December 31, 2023</b>	<b>As of December 31, 2022</b>
<b>Assets</b>		
Current assets:		
Cash	\$ 1,679	\$ 65,033
Accounts receivable, net	664,466	1,016,995
Other current assets	<u>15,100</u>	<u>15,100</u>
Total current assets	681,245	1,097,128
Property and equipment, net	29,472	45,247
Long-term investments	<u>4,281,906</u>	<u>3,354,449</u>
<b>Total assets</b>	<u><u>\$ 4,992,623</u></u>	<u><u>\$ 4,496,824</u></u>
<b>Liabilities and Stockholders' Equity (Deficit)</b>		
Current liabilities:		
Accounts payable	\$ 111,905	\$ 69,296
Accrued expenses	172,007	182,201
Deferred revenue	<u>199,946</u>	<u>326,858</u>
Total current liabilities	<u>483,858</u>	<u>578,355</u>
Notes payable, related parties	612,161	2,320,489
Long term debts, net of current maturities	<u>3,302,210</u>	<u>3,232,034</u>
Total long-term liabilities	<u>3,914,371</u>	<u>5,552,523</u>
Total liabilities	<u>4,398,229</u>	<u>6,130,878</u>
Stockholders' equity:		
Convertible preferred stock, Series A, \$0.01 par value, 5,000,000 shares authorized, 5,000,000 and 4,739,089 shares issued and outstanding as of 12/31/2023 and 12/31/2022	50,000	47,391
Convertible preferred stock, Series B, \$0.01 par value, 5,000,000 shares authorized, 3,899,727 shares issued and outstanding as of 12/31/2023 and 12/31/2022	38,997	38,997
Convertible preferred stock, Series C, \$0.01 par value, 300,000,000 shares authorized, 168,896,331 and 74,457,736 shares issued and outstanding as of 12/31/2023 and 12/31/2022	1,688,963	744,577
Common stock, Class A, \$0.01 par value, 2,000,000,000 shares authorized, 1,150,612,852 and 536,012,852 shares issued and outstanding as of 12/31/2023 and 12/31/2022	11,506,129	5,360,129
Convertible common stock, Class B, \$0.01 par value, 23,000,000 shares authorized, 23,000,000 shares issued and outstanding as of 12/31/2023 and 12/31/2022	230,000	230,000
Additional paid in capital	2,230,198	7,011,573
Accumulated deficit	<u>(15,149,893)</u>	<u>(15,066,721)</u>
Total stockholders' equity (deficit)	<u>594,394</u>	<u>(1,634,054)</u>
<b>Total liabilities and stockholders' equity</b>	<u><u>\$ 4,992,623</u></u>	<u><u>\$ 4,496,824</u></u>

See accompanying notes to consolidated financial statements.

**EPAZZ, INC.**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
**Unaudited**

	<b>For the Year Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Revenue</b>	\$ 2,147,553	\$ 1,949,924
<b>Expenses:</b>		
General and administrative	788,288	799,921
Salaries and wages	1,145,542	986,820
Stock issued for services rendered	—	—
Depreciation	16,221	15,116
Bad debts (recoveries)	33,833	18,904
<b>Total operating expenses</b>	<u>1,983,884</u>	<u>1,820,761</u>
<b>Net operating income</b>	<u>163,669</u>	<u>129,163</u>
<b>Other income (expense):</b>		
Interest expense	(246,841)	(172,552)
<b>Total other income (expense)</b>	<u>(246,841)</u>	<u>(172,552)</u>
<b>Net income (loss)</b>	<u>\$ (83,172)</u>	<u>\$ (43,389)</u>
Weighted average number of common shares outstanding - basic and fully diluted	<u>692,516,924</u>	<u>534,302,551</u>
Income before Gain on Debt Extinguishment per share - basic and fully diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>
Net income per share - basic and fully diluted	<u>\$ (0.00)</u>	<u>\$ (0.00)</u>

See accompanying notes to consolidated financial statements.

**EPAZZ, INC.**  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)**  
**Unaudited**

	Convertible Series A Preferred Stock		Convertible Series B Preferred Stock		Convertible Series C Preferred Stock		Class A Common Stock		Convertible Class B Common Stock		Paid-in Capital	Accumulated (Deficit)	Stockholders' (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount			
Balance, December 31, 2021	4,739,089	\$ 47,391	4,199,727	\$ 41,997	59,021,067	\$ 590,211	491,422,859	\$ 4,914,229	23,000,000	\$ 230,000	\$ 7,608,839	\$ (15,023,332)	\$ (1,590,665)
Conversion of Preferred Series B to Preferred Series C, related party	—	—	(300,000)	(3,000)	30,300,000	303,000	—	—	—	—	(300,000)	—	—
Conversion of Preferred Series C to Common Class A, related party	—	—	—	—	(14,863,331)	(148,634)	44,589,993	445,900	—	—	(297,266)	—	—
Net loss for the year ended December 31, 2022	—	—	—	—	—	—	—	—	—	—	—	(43,389)	(43,389)
Balance, December 31, 2022	4,739,089	47,391	3,899,727	38,997	74,457,736	744,577	536,012,852	5,360,129	23,000,000	230,000	7,011,573	(15,066,721)	(1,634,054)
Conversion of Common Class A to Preferred Series A, related party	260,911	2,609	—	—	—	—	(114,000,000)	(1,140,000)	—	—	1,137,391	—	—
Conversion of Preferred Series C to Common Class A, related party	—	—	—	—	(164,700,000)	(1,647,000)	494,100,000	4,941,000	—	—	(3,294,000)	—	—
Conversion of Preferred Series C to Common Class A	—	—	—	—	(105,000,000)	(1,050,000)	315,000,000	3,150,000	—	—	(2,100,000)	—	—
Conversion of Debt and Interest to Preferred Series C, related party	—	—	—	—	182,862,000	1,828,620	—	—	—	—	—	—	1,828,620
Conversion of Debt and Interest to Preferred Series C	—	—	—	—	101,276,595	1,012,766	—	—	—	—	(529,766)	—	483,000
Conversion of Common Class A to Preferred Series C, related party	—	—	—	—	80,000,000	800,000	(80,000,000)	(800,000)	—	—	—	—	—
Share correction	—	—	—	—	—	—	(500,000)	(5,000)	—	—	5,000	—	—
Net income for the six months ended December 31, 2023	—	—	—	—	—	—	—	—	—	—	—	(83,172)	(83,172)
Balance, December 31, 2023	<u>5,000,000</u>	<u>\$ 50,000</u>	<u>3,899,727</u>	<u>\$ 38,997</u>	<u>168,896,331</u>	<u>\$ 1,688,963</u>	<u>1,150,612,852</u>	<u>\$ 11,506,129</u>	<u>23,000,000</u>	<u>\$ 230,000</u>	<u>\$ 2,230,198</u>	<u>\$ (15,149,893)</u>	<u>\$ 594,394</u>

See accompanying notes to consolidated financial statements.

**EPAZZ, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**Unaudited**

	<b>For the Year Ended December 31,</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities</b>		
Net income (loss)	\$ (83,172)	\$ (43,389)
Adjustments to reconcile net loss to net cash used in operating activities:		
Bad debts (recoveries)	33,833	18,904
Depreciation	16,221	15,116
Amortization of deferred financing costs	—	174
Stock received for services provided	—	—
Decrease (increase) in assets:		
Accounts receivable	318,696	(129,683)
Other current assets	—	—
Increase (decrease) in liabilities:		
Accounts payable	42,609	10,647
Accrued expenses	48,350	79,180
Accrued expenses, related parties	111,992	60,045
Deferred revenue	(126,912)	6,547
Net cash provided by (used in) operating activities	<u>361,617</u>	<u>17,541</u>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	(446)	(20,000)
Long-term investment in stock and loans	(927,457)	(2,280,615)
Net cash received from (used for) investing activities	<u>(927,903)</u>	<u>(2,300,615)</u>
<b>Cash flows from financing activities</b>		
Proceeds from notes payable, related parties	8,300	36,000
Proceeds from long-term debt issuances	514,672	2,041,952
Repayment of long-term debts	(20,040)	(40,578)
Net cash provided by (used for) financing activities	<u>502,932</u>	<u>2,037,374</u>
<b>Net increase (decrease) in cash</b>	(63,354)	(245,700)
Cash - beginning	65,033	310,733
Cash - ending	<u>\$ 1,679</u>	<u>\$ 65,033</u>
<b>Supplemental disclosures:</b>		
Interest paid	<u>\$ 85,822</u>	<u>\$ 39,154</u>
Income taxes paid	<u>\$ —</u>	<u>\$ —</u>
<b>Non-cash investing and financing activities:</b>		
Conversion of Common Class A to Preferred Series A, related party	<u>\$ 1,145,000</u>	<u>\$ —</u>
Conversion of Common Class A to Preferred Series C, related party	<u>\$ 800,000</u>	<u>\$ —</u>
Conversion of Preferred Series B to Preferred Series C, related party	<u>\$ —</u>	<u>\$ 303,000</u>
Conversion of Preferred Series C to Common Series A, related party	<u>\$ 4,941,000</u>	<u>\$ 445,900</u>
Conversion of Preferred Series C to Common Series A	<u>\$ 3,150,000</u>	<u>\$ —</u>
Conversion of debt and accrued interest to Preferred Series C, related party	<u>\$ 1,828,620</u>	<u>\$ —</u>
Conversion of debt and accrued interest to Preferred Series C	<u>\$ 1,012,766</u>	<u>\$ —</u>

See accompanying notes to financial statements.

## **(1) Nature of Business and Summary of Significant Accounting Policies**

### Nature of Business and Organization

Epazz, Inc. (“Epazz” or the “Company”) was originally formed as an Illinois corporation on March 23, 2000 to create software to help college students organize their college information and resources. In 2017, Epazz, Inc. changed its domicile to Wyoming.

Today, Epazz Inc. is an enterprise-wide cloud software company that specializes in providing customized web applications to the corporate world, higher education institutions and the public sector. Epazz unique applications can create virtual communities for enhanced communication, provide information and content for decision-making, and create a secure marketplace for any type of commerce all through the medium of the Internet. Epazz is the answer to the increasing information technology demand of the 21st century.

### Basis of Accounting

Our consolidated financial statements are prepared using the accrual method of accounting as generally accepted in the United States of America (U.S. GAAP). The Company's headquarters are located in Wheeling, Illinois and substantially all of its customers are within the United States.

These statements reflect all adjustments, consisting of normal recurring adjustments, which in the opinion of management are necessary for fair presentation of the information contained therein.

### Segment Reporting

FASB ASC 280-10-50 requires annual and interim reporting for an enterprise's operating segments and related disclosures about its products, services, geographic areas and major customers. An operating segment is defined as a component of an enterprise that engages in business activities from which it may earn revenues and expenses, and about which separate financial information is regularly evaluated by the chief operating decision maker in deciding how to allocate resources. All of the Company's software products are considered operating segments and will be aggregated into one reportable segment given the similarities in economic characteristics among the operations represented by the common nature of the products, customers and methods of distribution.

### Reclassifications

Certain amounts in the financial statements of the prior year have been reclassified to conform to the presentation of the current year for comparative purposes.

### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Fair Value of Financial Instruments

Under FASB ASC 820-10-05, the Financial Accounting Standards Board establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This Statement reaffirms that fair value is the relevant measurement attribute. The adoption of this standard did not have a material effect on the Company's financial statements as reflected herein. The carrying amounts of cash, accounts payable and accrued expenses reported on the balance sheets are estimated by management to approximate fair value primarily due to the short-term nature of the instruments. The Company had debt instruments that required fair value measurement on a recurring basis.

### Beneficial Conversion Features

From time to time, the Company may issue convertible notes that may contain an imbedded beneficial conversion feature. A beneficial conversion feature exists on the date a convertible note is issued when the fair value of the underlying common stock to which the note is convertible into is in excess of the remaining unallocated proceeds of the note after first considering the allocation of a portion of the note proceeds to the fair value of warrants, if related warrants have been granted. The intrinsic value of the beneficial conversion feature is recorded as a debt discount with a corresponding amount to additional paid in capital. The debt discount is amortized to interest expense over the life of the note using the effective interest method.

### Basic and Diluted Net Earnings per Share

Basic net earnings (loss) per common share is computed by dividing net earnings (loss) applicable to common shareholders by the weighted-average number of common shares outstanding during the period. Diluted net earnings (loss) per common share is determined using the weighted-average number of common shares outstanding during the period, adjusted for the dilutive effect of common stock equivalents, consisting of shares that might be issued upon exercise of common stock options. In periods where losses are reported, the weighted-average number of common shares outstanding excludes common stock equivalents, because their inclusion would be anti-dilutive. There were no outstanding potential common stock equivalents for the periods presented. As such, basic and diluted earnings per share resulted in the same figure for the periods ended December 31, 2023 and 2022, respectively.



### Stock-Based Compensation

Under FASB ASC 718-10-30-2, all share-based payments to employees, including grants of employee stock options, are to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. The Company issued \$308,343 and \$0 stock for services and compensation for the periods ended December 31, 2023 and 2022, respectively.

### Revenue Recognition

The Company designs and sells various software programs to business enterprises including, among others, hospitals, pet stores, and Government and post-secondary institutions. Prior to shipment, each software product is tested extensively to meet Company specifications. The software is shipped fully functional via electronic delivery but requires some installation and setup. No other entities sell the same or largely interchangeable software.

Installation is a standard process, outlined in the owner's manual, consisting principally of setup, calibrating, and testing the software. A purchaser of the software could complete the process using the information in the owner's manual, although it would probably take significantly longer than it would take the Company's technicians to perform the tasks. Although other vendors do not install the Company's software, they do provide largely interchangeable installation services for a fee. Historically, the Company has never sold the software without installation. Most installations are performed by the Company within 7 to 24 days of shipment and are included in the overall sales price of the software. In addition, the customer must pay for support contracts and training packages, depending on their desired level of service. The Company is the only manufacturer of the software and it only sells software on a standalone basis directly to the end user.

The sales price of the arrangement consists of the software, installation, and training and support services, which the customer is obligated to pay in full upon delivery of the software. In addition, there are no general rights of return involved in these arrangements. Therefore, the software is accounted for as a separate unit of accounting.

The Company does not have vendor-specific objective evidence of selling price for the software because it does not sell the software separately (without installation services and support contracts). In addition, third-party evidence of selling price does not exist as no vendor separately sells the same or largely interchangeable software. Therefore, the Company uses its best estimate of selling price when allocating such arrangement consideration.

In estimating its selling price for the software, the Company considers the cost to produce the software, profit margin for similar arrangements, customer demand, effect of competitors on the Company's software, and other market constraints. When applying the relative selling price method, the Company uses its best estimate of selling price for the software, and third-party evidence of selling price for the installation. Accordingly, without considering whether any portion of the amount allocable to the software is contingent upon delivery of the other items, the Company allocates the selling price to the software, support, and installation.

The Company doesn't currently provide product warranties, but if it does in the future it will provide for specific product lines and accrue for estimated future warranty costs in the period in which the revenue is recognized.

### Recent Accounting Pronouncements

The Company continually assesses any new accounting pronouncements to determine their applicability to the Company. Where it is determined that a new accounting pronouncement affects the Company's financial reporting, the Company undertakes a study to determine the consequence of the change to its financial statements and assures that there are proper controls in place to ascertain that the Company's financials properly reflect the change. The Company currently does not have any recent accounting pronouncements that they are studying and feel may be applicable.

## **(2) Related Parties**

### Debt Financing

From time-to-time we have received and repaid loans from our CEO and his immediate family members to fund operations. These related party debts are fully disclosed in Note 9 below. The Company has a back-up, lines of credit from related parties totaling \$250,000 to cover the repayment of the current portion of long-term debt, should the Company need it.

### Conversion of Common Stock, Class A to Preferred Stock, Series A

On March 13, 2023, Shaun Passley, Ph.D., our Chief Executive Officer, converted 114,000,000 shares of Common Stock, Class A to 260,911 shares of Preferred Stock, Series A, consistent with the terms of the agreement.

### Conversion of Common Stock, Class A to Preferred Stock, Series C

On May 9, 2023, Shaun Passley, Ph.D., our Chief Executive Officer, converted 80,000,000 shares of Common Stock, Class A to 80,000,000 shares of Preferred Stock, Series C, consistent with the terms of the agreement.

### Conversion of Preferred Stock, Series B to Preferred Stock, Series C

On February 2, 2022, GG Mars Capital, Inc., a related party, converted 300,000 shares of Preferred Stock, Series B to 30,300,000 shares of Preferred Stock, Series C, consistent with the terms of the agreement.

#### Conversion of Preferred Stock, Series C to Common Stock, Class A

On January 14, 2022, GG Mars Capital, Inc., a related party, converted 8,988,331 shares of Preferred Stock, Series C to 26,964,993 shares of Common Stock, Class A, consistent with the terms of the agreement.

On January 14, 2022, Star Financial Corporation, a related party, converted 5,875,000 shares of Preferred Stock, Series C to 17,625,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

On March 13, 2023, GG Mars Capital, Inc., a related party, converted 13,000,000 shares of Preferred Stock, Series C to 39,000,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

On March 13, 2023, Star Financial Corporation, a related party, converted 10,000,000 shares of Preferred Stock, Series C to 30,000,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

On April 18, 2023, GG Mars Capital, Inc., a related party, converted 10,000,000 shares of Preferred Stock, Series C to 30,000,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

On May 1, 2023, GG Mars Capital, Inc., a related party, converted 10,000,000 shares of Preferred Stock, Series C to 30,000,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

On May 09, 2023, Star Financial Corporation, a related party, converted 12,025,000 shares of Preferred Stock, Series C to 36,075,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

On May 26, 2023, GG Mars Capital, Inc., a related party, converted 10,000,000 shares of Preferred Stock, Series C to 30,000,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

On July 13, 2023, Star Financial Corporation, a related party, converted 11,666,667 shares of Preferred Stock, Series C to 35,000,001 shares of Common Stock, Class A, consistent with the terms of the agreement.

On July 13, 2023, Star Financial Corporation, a related party, converted 11,666,667 shares of Preferred Stock, Series C to 35,000,001 shares of Common Stock, Class A, consistent with the terms of the agreement.

On September 05, 2023, GG Mars Capital, Inc., a related party, converted 10,000,000 shares of Preferred Stock, Series C to 30,000,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

On September 08, 2023, Star Financial Corporation, a related party, converted 13,008,333 shares of Preferred Stock, Series C to 39,024,999 shares of Common Stock, Class A, consistent with the terms of the agreement.

On October 25, 2023, GG Mars Capital, Inc., a related party, converted 10,000,000 shares of Preferred Stock, Series C to 30,000,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

On October 25, 2023, Star Financial Corporation, a related party, converted 15,000,000 shares of Preferred Stock, Series C to 45,000,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

On December 04, 2023, GG Mars Capital, Inc., a related party, converted 20,000,000 shares of Preferred Stock, Series C to 60,000,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

On December 04, 2023, Star Financial Corporation, a related party, converted 20,000,000 shares of Preferred Stock, Series C to 60,000,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

#### Preferred Stock, Series C Shares Issued for Conversion of Debt and Accrued Interest

On March 22, 2023, GG Mars Capital, Inc., a related party, converted a total of \$312,500 debt and accrued interest to 31,250,000 shares of Preferred Stock, Series C, consistent with the terms of the agreement.

On March 22, 2023, Star Financial Corporation, a related party, converted a total of \$246,750 debt and accrued interest to 24,675,000 shares of Preferred Stock, Series C, consistent with the terms of the agreement.

On September 28, 2023, Star Financial Corporation, a related party, converted a total of \$673,645 debt and accrued interest to 67,364,500 shares of Preferred Stock, Series C, consistent with the terms of the agreement.

On October 18, 2023, GG Mars Capital, Inc., a related party, converted a total of \$595,725 debt and accrued interest to 59,572,500 shares of Preferred Stock, Series C, consistent with the terms of the agreement.

#### Employment Agreement

On September 6, 2012, we entered into an employment agreement with Shaun Passley, Ph.D., our Chief Executive Officer, President, and Chairman of the Board of Directors which had a term of ten (10) years. Compensation pursuant to the agreement calls for a base salary of

\$180,000 per year; of which \$30,000 shall be payable annually in cash and \$150,000 shall be payable in shares of the Company's Common Stock at the rate of \$0.006 per share, or 2,500 shares per year. In addition, the Company issued 800,000 shares of Class A Common Stock to the Company's CEO as a bonus in consideration for various services performed, and to be performed over a ten year period beginning on September 6, 2012, provided that all of the shares remain subject to forfeiture until such time, if ever, as we generate annual revenues of at least \$10 million, subject to the below termination provisions. The total fair value of the common stock was \$6,000,000 based on the closing price of the Company's common stock on the date of grant, which has been presented as a deduction against additional paid in capital in the equity section of the balance sheet until the terms of the vesting periods are satisfied. The vesting restrictions were subsequently lifted on March 22, 2014 pursuant to the exchange of these shares for Convertible Series C Preferred shares. In the event of the termination of Dr. Passley's employment agreement for cause by the Company or without good reason by Dr. Passley, any non-vested shares are to be canceled and he is to be paid any consideration he is owed through the date of termination. In the event of the termination of Dr. Passley's employment agreement for good reason (as described in the agreement) by Dr. Passley or without cause by the Company, he is due eight additional weeks of compensation and all non-vested shares vest to him immediately. In the event of the termination of Dr. Passley's employment agreement for any other reason, he is due eight weeks of additional salary and any non-vested shares are to be canceled.

We do not have an employment or consultant agreement with Craig Passley, the Company's Secretary, however on March 20, 2013, we granted 4.80 shares to Craig Passley for services rendered between 2012 and 2021. The shares vest annually over the 10-year period with the first 0.48 vesting upon the grant date. The vesting restrictions were subsequently lifted on March 22, 2014 pursuant to the exchange of these shares for Convertible Series C Preferred shares.

#### Amendments to Employment Agreement

On August 16, 2013, the Company amended Shaun Passley, Ph.D.'s employment agreement to increase the cash portion of his compensation from \$30,000 per year to \$100,000 in the initial year of the agreement only. All other terms remain in effect, and the shares of stock awarded as a bonus as previously disclosed were granted in addition to the stock-based compensation outlined in the original agreement.

### **(3) Fair Value of Financial Instruments**

Under FASB ASC 820-10-5, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The standard outlines a valuation framework and creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures. Under GAAP, certain assets and liabilities must be measured at fair value, and FASB ASC 820-10-50 details the disclosures that are required for items measured at fair value.

The Company does not have any financial instruments that must be measured under the new fair value standard. The Company's financial assets and liabilities are measured using inputs from the three levels of the fair value hierarchy. The three levels are as follows:

Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 - Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).

Level 3 - Unobservable inputs that reflect our assumptions about the assumptions that market participants would use in pricing the asset or liability.

The following schedule summarizes the valuation of financial instruments at fair value on a non-recurring basis in the balance sheets as of December 31, 2023 and December 31, 2022:

<b>Fair Value Measurements at December 31, 2023</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Assets</b>			
Total assets	—	—	—
<b>Liabilities</b>			
Lines of credit	—	—	—
Notes payable, related parties	—	612,161	—
Long term debts	—	3,302,210	—
Total Liabilities	—	3,914,371	—
	<b>\$</b>	<b>\$ (3,914,371)</b>	<b>\$</b>
<b>Fair Value Measurements at December 31, 2022</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>
<b>Assets</b>			

Total assets	—	—	—
<b>Liabilities</b>			
Lines of credit	—	—	—
Notes payable, related parties	—	2,320,489	—
Long term debts	—	3,232,034	—
Total Liabilities	—	5,552,523	—
	<u>\$</u>	<u>(5,552,523)</u>	<u>\$</u>

There were no transfers of financial assets or liabilities between Level 1 and Level 2 inputs for the periods ended December 31, 2023 and 2022.

#### (4) Other Current Assets

As of December 31, 2023 and December 31, 2022, other current assets included the following:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Security deposits	\$ 5,100	\$ 5,100
Certificate of deposit	10,000	10,000
	<u>\$ 15,100</u>	<u>\$ 15,100</u>

The Company recognized \$— and \$174 of amortization expense related to the deferred financing costs during the period ended December 31, 2023 and 2022, respectively.

#### (5) Property and Equipment

Property and Equipment consists of the following at December 31, 2023 and December 31, 2022, respectively:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Furniture and fixtures	\$ 44,955	\$ 44,509
Computers and equipment	220,526	220,526
Software	15,660	15,660
Work Vehicles	21,872	21,872
Assets held under capital leases	17,855	17,855
	<u>320,868</u>	<u>320,422</u>
Less: accumulated depreciation	<u>(291,396)</u>	<u>(275,175)</u>
	<u>\$ 29,472</u>	<u>\$ 45,247</u>

Depreciation expense totaled \$16,221 and \$18,904 for the periods ended December 31, 2023 and 2022, respectively.

#### (6) Accrued Expenses

Accrued expenses as of December 31, 2023 and December 31, 2022, included the following:

	<b>September 30, 2023</b>	<b>December 31, 2022</b>
Accrued interest	\$ 137,760	\$ 146,984
Accrued payroll and payroll taxes	34,248	35,217
	<u>\$ 172,007</u>	<u>\$ 182,201</u>

#### (7) Notes Payable, Related Parties

Notes payable, related parties consist of the following at December 31, 2023 and December 31, 2022, respectively:

	<b>December 31, 2023</b>	<b>December 31, 2022</b>
Originated December 31, 2017, unsecured promissory note payable owed to a Company owned by an immediate family member of the Company's CEO carries a 6% interest	\$ 2,868	\$ 2,868

rate, matures on December 31, 2013. In addition, a loan origination fee, consisting of 144,928 shares of Series A Common Stock with a fair market value of \$884 was issued as consideration for the loan on October 9, 2012. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

Originated August 2, 2013, unsecured promissory note payable owed to Star Financial Corporation, Inc., a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matures on January 17, 2014. In addition, a loan origination fee of \$5,000 was issued as consideration for the loan, and is being amortized on a straight-line basis over the life of the loan, as well as, a loan origination fee, consisting of 3,000,000 shares of Series A Common Stock with a fair market value of \$5,100 was issued as consideration for the loan on August 2, 2013. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

3,500

3,500

Originated October 15, 2013, unsecured promissory note payable owed to Star Financial Corporation, Inc., a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matures on September 12, 2015. In addition, a loan origination fee of \$3,000 was issued as consideration for the loan, and is being amortized on a straight-line basis over the life of the loan. The note also carried a liquidated damages fee of \$500 upon default, which was amended and removed on September 19, 2014. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

9,000

9,000

Originated February 8, 2014, an unsecured \$13,000 promissory note payable, including a \$3,000 loan origination fee, owed to Star Financial, a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matured on March 30, 2014. In addition, a loan origination fee consisting of 1,000,000 shares of Convertible Series C Preferred Stock valued at \$1,193 was issued as consideration for the loan, and is being amortized on a straight-line basis over the life of the loan. The note also carried a liquidated damages fee of \$500 upon default, which was amended and removed on September 19, 2014. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

13,000

13,000

Originated February 21, 2014, an unsecured \$75,000 promissory note payable, including a \$15,000 loan origination fee, owed to Star Financial, a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matured on April 30, 2014. In addition, a loan origination fee consisting of 10,000,000 shares of Convertible Series C Preferred Stock valued at \$9,562 was issued as consideration for the loan, and is being amortized on a straight-line basis over the life of the loan. The note also carried a liquidated damages fee of \$25,000 upon default, which was amended and removed on September 19, 2014. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

75,000

75,000

Originated February 22, 2014, a \$100,000 unsecured promissory note payable, including a \$25,000 loan origination fee, owed to GG Mars Capital, Inc., a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matured on April 30, 2014. In addition, a loan origination fee consisting of 15,000,000 shares of Convertible Series C Preferred Stock valued at \$14,266 was issued as consideration for the loan, and is being amortized on a straight-line basis over the life of the loan. The note also carried a liquidated damages fee of \$35,000 upon default, which was amended and removed on September 19, 2014. A portion of this note was converted within the terms of the agreement into 10,500,000 shares of common stock on July 20, 2015. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

—

62,500

Originated March 28, 2014, an unsecured \$25,000 promissory note payable, including a \$5,000 loan origination fee, owed to Star Financial, a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matured on May 28, 2014. In addition, a loan origination fee consisting of 3,000,000 shares of Convertible Series C Preferred Stock valued at \$2,390 was issued as consideration for the loan, and is being amortized on a straight-line basis over the life of the loan. The note also carried a liquidated damages fee of \$2,500 upon default, which was amended and removed on September 19, 2014. This note was converted outside the terms of the agreement into 7,400,000 shares of common stock on June 29, 2015. The

6,500

6,500

share price on June 29, 2015 was \$0.0122, which equals consideration given of \$90,280; which when compared to the reduction in debt of \$18,500 leads to a loss on conversion of \$71,780. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

Originated April 23, 2014, an unsecured \$35,000 promissory note payable, including a \$7,000 loan origination fee, owed to Star Financial, a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matured on August 23, 2014. In addition, a loan origination fee consisting of 2,800 shares of Class A Common Stock was issued as consideration for the loan, and is being amortized on a straight line basis over the life of the loan. The note also carried a liquidated damages fee of \$2,500 upon default, which was amended and removed on September 19, 2014. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

35,000

35,000

Originated April 24, 2014, a \$150,000 unsecured promissory note payable, including a \$30,000 loan origination fee, owed to GG Mars Capital, Inc., a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matured on June 26, 2014. In addition, a loan origination fee consisting of 8,000 shares of Class A Common Stock was issued as consideration for the loan, and is being amortized on a straight line basis over the life of the loan. The note also carried a liquidated damages fee of \$10,000 upon default, which was amended and removed on September 19, 2014. A portion of this note was converted outside the terms of the agreement into 8,000,000 shares of common stock on July 17, 2015. The share price on July 17, 2015 was \$0.0074, which equals consideration given of \$59,200; which when compared to the reduction in debt of \$20,000 leads to a loss on conversion of \$39,200. Principal of \$5,000 was converted on October 31, 2015 into 100,000,000 Class A Common Stock. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

—

125,000

Originated May 7, 2014, a \$125,000 unsecured promissory note payable, including a \$25,000 loan origination fee, owed to GG Mars Capital, Inc., a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matured on August 7, 2014. In addition, a loan origination fee consisting of 8,000 shares of Class A Common Stock was issued as consideration for the loan, and is being amortized on a straight line basis over the life of the loan. The note also carried a liquidated damages fee of \$12,500 upon default, which was amended and removed on September 19, 2014. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

—

125,000

Originated May 28, 2014, an unsecured \$32,500 promissory note payable, including a \$7,500 loan origination fee, owed to Star Financial, a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matures on September 28, 2014. In addition, a loan origination fee consisting of 2,600 shares of Class A Common Stock was issued as consideration for the loan, and is being amortized on a straight line basis over the life of the loan. The note also carried a liquidated damages fee of \$2,500 upon default, which was amended and removed on September 19, 2014. A portion of this note was converted outside the terms of the agreement into 10,000,000 shares of common stock on July 2, 2015. The share price on July 2, 2015 was \$0.0110, which equals consideration given of \$110,000; which when compared to the reduction in debt of \$10,000 leads to a loss on conversion of \$100,000. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

22,500

22,500

Originated June 3, 2014, a \$25,000 unsecured promissory note payable, including a \$4,000 loan origination fee, owed to GG Mars Capital, Inc., a corporation owned by an immediate family member of the Company's CEO. The note carried a 15% interest rate, matures on December 3, 2014. The note also carries a liquidated damages fee of \$1,000 upon default, which was amended and removed on September 19, 2014. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

—

25,000

Originated June 3, 2014, an unsecured \$5,000 promissory note payable, including a \$1,000 loan origination fee, owed to Star Financial, a corporation owned by an immediate family member of the Company's CEO. The note carried a 15% interest rate, matures on December 3, 2014. The note also carried a liquidated damages fee of \$500

5,000

5,000

upon default, which was amended and removed on September 19, 2014. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

Originated June 12, 2014, an unsecured \$21,250 promissory note payable, including a \$4,250 loan origination fee, owed to Star Financial, a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matures on October 12, 2014. In addition, a loan origination fee consisting of 1,700 shares of Class A Common Stock was issued as consideration for the loan, and is being amortized on a straight line basis over the life of the loan. The note also carried a liquidated damages fee of \$2,500 upon default, which was amended and removed on September 19, 2014. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

21,250 21,250

Originated June 30, 2014, an unsecured \$20,000 promissory note payable, including a \$3,500 loan origination fee, owed to Star Financial, a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matures on December 30, 2014. The note also carried a liquidated damages fee of \$500 upon default, which was amended and removed on September 19, 2014. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

20,000 20,000

Originated August 21, 2014, an unsecured \$12,500 promissory note payable, including a \$2,500 loan origination fee, owed to L & F Lawn Service, Inc., a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matures on December 21, 2014. The note also carried a liquidated damages fee of \$1,000 upon default. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

12,500 12,500

Originated August 1, 2014, an unsecured \$36,000 promissory note payable, including an \$8,000 loan origination fee, owed to Star Financial, a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matures on December 3, 2014. The note also carried a liquidated damages fee of \$1,000 upon default, which was amended and removed on September 19, 2014. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

— 36,000

Originated August 11, 2014, unsecured promissory note payable owed to an immediate family member of the Company's CEO carries a zero percent (0%) interest rate, matures on December 1, 2014. In addition, a loan origination fee of \$3,000 was issued as consideration for the loan, and is being amortized on a straight-line basis over the life of the loan, as well as, a loan origination fee, consisting of 2,000 shares of Class A Common Stock with a fair market value of \$4,250 was issued as consideration for the loan on July 19, 2013. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

5,705 5,705

Originated July 28, 2014, an unsecured \$37,500 promissory note payable, including a \$7,500 loan origination fee, owed to Star Financial, a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matures on December 15, 2014. The note also carried a liquidated damages fee of \$1,000 upon default, which was amended and removed on September 19, 2014. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

37,500 37,500

Originated December 17, 2014, an unsecured \$9,000 promissory note payable, including a \$2,500 loan origination fee, owed to L & F Lawn Service, Inc., a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matures on December 17, 2015. L & F Service loaned an additional \$16,000 to the Company at the same interest rate. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

27,000 27,000

Originated November 9, 2014, an unsecured \$60,000 promissory note payable owed to Star Financial Corporation, Inc., a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matures on June 9, 2015. In addition, a loan origination fee of \$12,000 was issued as consideration for the loan, and is being amortized on a straight-line basis over the life of the loan. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

— 60,000

Originated September 22, 2014, an unsecured \$43,750 promissory note payable, including an \$8,750 loan origination fee, owed to Star Financial, a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matures on December 1, 2014. The note also carried a liquidated damages fee of \$1,000 upon default. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.	—	43,750
Originated August 26, 2014, an unsecured \$57,000 promissory note payable, including a \$12,000 loan origination fee, owed to Star Financial, a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matures on December 1, 2014. The note also carried a liquidated damages fee of \$1,000 upon default. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.	—	57,000
Originated September 2, 2014, an unsecured \$69,000 promissory note payable, including a \$14,000 loan origination fee, owed to Star Financial, a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matures on December 1, 2014. The note also carried a liquidated damages fee of \$1,000 upon default. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.	—	69,000
Originated March 18, 2015, a \$6,250 unsecured promissory note payable, including a \$1,250 loan origination fee, owed to GG Mars Capital, Inc., a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matured on August 18, 2015. The note also carries a liquidated damages fee of \$1,000 upon default. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.	—	6,250
Originated January 22, 2015, an unsecured \$47,000 promissory note payable, including a \$10,000 loan origination fee, owed to Star Financial, a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matured on August 22, 2015. The note also carries a liquidated damages fee of \$1,500 upon default. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.	—	47,000
Originated February 24, 2015, an unsecured \$48,000 promissory note payable, including a \$10,000 loan origination fee, owed to Star Financial, a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matured on August 22, 2015. The note also carries a liquidated damages fee of \$1,500 upon default. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.	—	48,000
Originated May 7, 2015, an unsecured \$15,000 promissory note payable, including a \$2,750 loan origination fee, owed to an immediate family member of the Company's CEO. The note carries a 15% interest rate, matured on May 7, 2015. The note also carries a liquidated damages fee of \$1,500 upon default. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.	—	15,000
Originated April 7, 2015, a \$32,000 unsecured promissory note payable, including a \$6,250 loan origination fee, to an immediate family member of the Company's CEO. The note carries a 15% interest rate, matured on April 7, 2016. The note also carries a liquidated damages fee of \$1,500 upon default. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.	32,000	32,000
Originated May 20, 2015, a \$25,000 unsecured promissory note payable, including a \$5,000 loan origination fee, to an immediate family member of the Company's CEO. The note carries a 15% interest rate, matured on May 20, 2016. The note also carries a liquidated damages fee of \$1,500 upon default. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.	25,000	25,000
Originated March 3, 2015, an unsecured \$21,875 promissory note payable, including a \$4,375 loan origination fee, owed to Star Financial, a corporation owned by an immediate family member of the Company's CEO. The note carries a 15% interest rate, matured on October 3, 2015. The note also carries a liquidated damages fee of \$1,500	—	21,875



upon default. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

On January 29, 2015, we entered into a Securities Purchase Agreement with KBM Worldwide, Inc., pursuant to which we sold to KBM an 8% Convertible Promissory Note in the original principal amount of \$43,000. The One KBM Note had a maturity date of November 2, 2015, and was converted into our common stock at the greater of (i) the Variable Conversion Price and (ii) the Fixed Conversion Price. The “Variable Conversion Price” shall mean 50% multiplied by the Market Price (representing a discount rate of 50%). “Market Price” means the average of the lowest three (3) Trading Prices for the Common Stock during the thirty (30) Trading Day period ending on the latest complete Trading Day prior to the Conversion Date. “Fixed Conversion Price” shall mean \$0.00005 per share. The shares of common stock issuable upon conversion of the One KBM Note were restricted securities as defined in Rule 144 promulgated under the Securities Act of 1933. The issuance of the One KBM Note was exempt from the registration requirements of the Securities Act of 1933 pursuant to Rule 506 of Regulation D promulgated thereunder. The purchaser was an accredited and sophisticated investor, familiar with our operations, and there was no solicitation. This note was purchased by GG Mars, Inc. The convertible feature of this note was forfeited. Previously, this note was included in convertible debts. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

— 21,355

Originated March 2, 2015, an unsecured \$5,000 convertible promissory note, carries a 15% interest rate, matures on May 20, 2015, (“Star Note”) owed to Star Financial Corporation, a related party, consisting of a total of \$5,000 of principal and \$447.95 of accrued interest. The October 20, 2014 promissory notes did not carry conversion terms, and were subsequently exchanged for the convertible note. The principal and accrued interest is convertible into shares of common stock at the discretion of the note holder at a price equal to \$0.001. The debt holder was limited to owning 9.99% of the Company’s issued and outstanding shares. The convertible feature of this note was forfeited. Previously, this note was included in convertible debts. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

— 2,150

Originated March 2, 2015, an unsecured \$18,750 convertible promissory note, carries a 15% interest rate, matures on May 28, 2015, (“GG Note”) owed to GG Mars, Inc., a related party, consisting of a total of \$18,750 of principal and \$2,196.06 of accrued interest. The March 28, 2014 promissory notes did not carry conversion terms, and were subsequently exchanged for the convertible note. The principal and accrued interest is convertible into shares of common stock at the discretion of the note holder at a price equal to \$0.001. The debt holder was limited to owning 9.99% of the Company’s issued and outstanding shares. The convertible feature of this note was forfeited. Previously, this note was included in convertible debts. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

— 300

Originated June 30, 2015, an unsecured \$30,000 convertible promissory note, carries a 15% interest rate, matures on May 7, 2015, (“Star Note”) owed to Star Financial Corporation, a related party, consisting of a total of \$30,000 of principal and \$3,772.60 of accrued interest. The March 7, 2014 promissory notes did not carry conversion terms, and were subsequently exchanged for the convertible note. The principal and accrued interest is convertible into shares of common stock at the discretion of the note holder at a price equal to \$0.001. The debt holder was limited to owning 9.99% of the Company’s issued and outstanding shares. The convertible feature of this note was forfeited. Previously, this note was included in convertible debts. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

180 25,050

Originated August 30, 2016, an unsecured \$250,000 line of credit from Star Financial, a corporation owned by an immediate family member of the Company’s CEO. The note carries a 10% interest rate, matured on August 30, 2017. This note was amended to change the maturity date to December 31, 2025 and the interest rate to 6%.

7,443 247,893

Originated January 1, 2018, an unsecured \$250,000 line of credit from Star Financial, a corporation owned by an immediate family member of the Company’s CEO. The note carries a 6% interest rate, matured on December 31, 2026.

84,200 84,200

Originated January 1, 2018, an unsecured \$250,000 line of credit from GG Mars, Inc, a corporation owned by an immediate family member of the Company's CEO. The note carries a 6% interest rate, matured on December 31, 2026.	—	57,000
Effective December 31, 2017, the Company entered into an agreement with an immediate family member of the Company's CEO to convert \$1,626 of accrued interest to a note payable due December 31, 2026 bearing an annual interest rate of 6%.	11,125	10,373
Effective December 31, 2017, the Company entered into an agreement with an immediate family member of the Company's CEO to convert \$21,471 of accrued interest to a note payable due December 31, 2026 bearing an annual interest rate of 6%.	31,510	29,815
Effective December 31, 2017, the Company entered into an agreement with Star Financial Corporation, a related party, to convert \$239,295 of accrued interest to a note payable due December 31, 2026 bearing an annual interest rate of 6%.	7,940	382,491
Effective December 31, 2017, the Company entered into an agreement with GG Mars, Inc., a related party, to convert \$282,904 of accrued interest to a note payable due December 31, 2026 bearing an annual interest rate of 6%.	116,440	365,164
Total notes payable, related parties	612,161	2,320,489
Less: current portion	—	—
Notes payable, related parties, less current portion	<u>\$ 612,161</u>	<u>\$ 2,320,489</u>

The Company recorded interest expense on notes payable to related parties in the amounts of \$111,992 and \$60,045 during the periods ended December 31, 2023 and 2022, respectively. During the three months ended September 30, 2023, the Company recorded special interest adjustment of \$73,016, which is recorded as interest expense in the statement of income. The Company recorded accrued interest associated with related parties as a long-term liability and it is listed in the schedule above.

## (8) Promissory Notes

Promissory notes consist of the following at December 31, 2023 and December 31, 2022, respectively:

	December 31, 2023	December 31, 2022
Total promissory notes	3,302,210	3,232,034
Less: current portion	—	—
Promissory notes, less current portion	<u>\$ 3,302,210</u>	<u>\$ 3,232,034</u>

The Company utilizes its available lines of credit with related parties to justify the long-term classification of the current portion of third-party debt. The available lines of credit with related parties are listed in the table in Note 7. Accordingly, the current portion of long-term debt totaling \$21,558 and \$33,590 as of December 31, 2023 and December 31, 2022, respectively, is recorded as a long-term liability in the balance sheet. The Company recorded interest expense on promissory notes of \$133,414 and \$111,685 for the periods ended December 31, 2023 and 2022, respectively. The Company recorded accrued interest of \$137,760 and \$146,984 as of December 31, 2023 and December 31, 2022, respectively.

## (9) Stockholders' Equity

### Convertible Preferred Stock, Series A

The Company has five million (5,000,000) authorized shares of \$0.01 par value Series A Convertible Preferred Stock ("Series A Preferred Stock"). The Series A Preferred Stock accrues dividends equal to 1.5% of the Company's revenues per quarter, beginning on January 1<sup>st</sup> of any calendar year in which the Company has generated revenue over \$2 million, and an additional 24% of the Company's net income beginning on January 1<sup>st</sup> of any calendar year in which the Company has generated net income over \$2 million. The dividends are payable at the discretion of the Company, provided that any unpaid dividends accrue until paid. The Series A Preferred Stock includes a liquidation preference equal to \$0.01 per share, plus any accrued and unpaid dividends. The Series A Preferred Stock is convertible, at the option of the holder into shares of the Company's Class A Common Stock, with five business days' notice into 60% of the total number of then issued and outstanding shares of Class A Common Stock. The Series A Preferred Stock has limited voting rights, relating solely to matters which adversely affect the rights of the Series A Preferred Stockholders. The Company shall reserve and keep available out of its authorized but unissued shares of Class A Common Stock such number of shares sufficient to affect the conversions.

The Series A Preferred Stock shall have 10 votes per share any shareholder matters (other than as expressly stated below under Section 7) or as otherwise provided for by Wyoming law. The Series A Preferred Stock holder shall always be entitled to 20% ownership of Common A Shares. On a quarterly basis, the company will have to evaluate the ownership percentage of Series A Preferred Stock holder to determine their ownership percentage of Common A. If the Series A Preferred holder is under 20% ownership; the company will need to issue enough shares to make sure that the Series A Preferred holder has over 20% ownership of Common A. Subject to the rights of series of Series A Preferred Stock which may

from time to time come into existence, so long as any shares of Series A Preferred Stock are outstanding, the Corporation shall not without first obtaining the approval (by written consent, as provided by law) of the holders of 2/3rds of the then outstanding shares of Series A Preferred Stock, voting together as a class: (a) Increase or decrease (other than by redemption or conversion) the total number of authorized shares of Series A Preferred Stock; (b) Effect an exchange, reclassification, or cancellation of all or a part of the Series A Preferred Stock, but excluding a stock split, forward split or reverse stock split of the Corporation's Common Stock or Series A Preferred Stock; (c) Effect an exchange, or create a right of exchange, of all or part of the shares of another class of shares into shares of Series A Preferred Stock; or (d) Alter or change the rights, preferences or privileges of the shares of Series A Preferred Stock so as to affect adversely the shares of such series, including the rights set forth in this Designation. Holders of Series A Preferred Stock shall not be entitled to any preemptive, subscription or similar rights in respect to any securities of the Corporation, except as specifically set forth herein or in any other document agreed to by the Corporation.

#### Convertible Preferred Stock, Series B

The Company has five million (5,000,000) authorized shares of \$0.01 par value Series B Convertible Preferred Stock ("Series B Preferred Stock"). The Series B Preferred Stock accrues dividends equal to 1.5% of the Company's revenues per quarter, beginning on January 1<sup>st</sup> of any calendar year in which the Company has generated revenue over \$1 million, and an additional 6% of the Company's net income beginning on January 1<sup>st</sup> of any calendar year in which the Company has generated net income over \$2 million. The dividends are payable at the discretion of the Company, provided that any unpaid dividends accrue until paid. The Series B Preferred Stock includes a liquidation preference equal to \$0.01 per share, plus any accrued and unpaid dividends. The Series B Preferred Stock is convertible, at the option of the holder into shares of the Company's Class A Common Stock, with five business days' notice into 10% of the total number of then issued and outstanding shares of Class A Common Stock, provided that no conversion will take place until all holders of the Series B Preferred Stock consent to such conversion. The Series B Preferred Stock has limited voting rights, relating solely to matters which adversely affect the rights of the Series B Preferred Stock holders. The Company shall reserve and keep available out of its authorized but unissued shares of Class A Common Stock such number of shares sufficient to affect the conversions.

#### Convertible Preferred Stock, Series C

The Company has three hundred million (300,000,000) authorized shares of \$0.01 par value Series C Convertible Preferred Stock ("Series C Preferred Stock"). The Series C Preferred Stock accrues dividends equal to 1.5% of the Company's revenues per quarter, beginning on January 1<sup>st</sup> of any calendar year in which the Company has generated revenue over \$1 million, and an additional 6% of the Company's net income beginning on January 1<sup>st</sup> of any calendar year in which the Company has generated net income over \$2 million. The dividends are payable at the discretion of the Company, provided that any unpaid dividends accrue until paid. The Series C Preferred Stock includes a liquidation preference equal to \$0.01 per share, plus any accrued and unpaid dividends. Subject to certain conversion restrictions over the first three months from the original issuance date, each share of Series C Preferred Stock is convertible, at the option of the holder into three (3) shares of the Company's Class A Common Stock, with five business days' notice. The following conversion restrictions shall apply; (i) the holder shall be prohibited from converting any Series C Preferred shares for a period of one (1) month from the original issuance date, (ii) the holder shall be prohibited from converting not more than 30% of the Series C Preferred shares originally issued to holder during the second (2<sup>nd</sup>) month following the original issuance date, (iii) the holder shall be prohibited from converting not more than 30% (60% in total) of the Series C Preferred shares originally issued to holder during the third (3<sup>rd</sup>) month following the original issuance date, (iv) the holder shall be prohibited from converting not more than an additional 40% (100% in total) of the Series C Preferred shares originally issued to holder following the end of the third month following the original issuance date. The Series C Preferred Stock shall each vote three voting share and shall vote together with the Common Stock of the Company. The Company shall reserve and keep available out of its authorized but unissued shares of Class A Common Stock such number of shares sufficient to affect the conversions. On March 21, 2023, the Company increased its authorized Preferred Series C stock to 300,000,000.

#### Convertible Preferred Stock, Series D

The Company has zero authorized and outstanding shares of \$0.01 par value Series D Convertible Preferred Stock ("Series D Preferred Stock"). The Series D Preferred Stock shall carry an 8.0% dividend, payable semiannually at Issuer's election in either (i) cash or (ii) shares of common stock. Each share of Series D Preferred Stock is convertible, at the option of the holder into three (3) shares of the Company's Class A Common Stock, with five business days' notice, provided that no conversion will take place until all holders of the Series C Preferred Stock consent to such conversion. The Series D Preferred Stock has preferential voting rights that carry three (3) voting rights for each share issued and outstanding, and shall vote together with the shares of the Common Stock of the Company, and not as a separate class. No Convertible Preferred Stock Series D shares were issued or outstanding as of December 31, 2017 and December 31, 2016.

#### Convertible Preferred Stock, Series E

The Company has 20 authorized and zero outstanding shares of \$0.01 par value Series E Convertible Preferred Stock ("Series E Preferred Stock"). The Series E Preferred Stock shall carry an 8.0% dividend, payable semiannually at Issuer's election in either (i) cash or (ii) shares of common stock. Series E Preferred Stock is convertible, at the option of the holder into the Company's Class A Common Stock, at a price of 65% of the lowest bid price of the Common Stock as reported by Bloomberg for the 20 prior trading days prior to receipt by the Corporation of a Notice of Conversion.

#### Common Stock, Class A

The Company has one hundred million (2,000,000,000) authorized shares of \$0.01 par value Class A Common Stock. Each holder of Class A Common Stock is entitled to one vote per share. Upon liquidation, each share of Class A Common Stock is entitled to share equally in our assets available for distribution to the holders of those shares. Any outstanding Preferred Stock would rank senior to the Class A Common Stock and Class B Common Stock in respect of liquidation rights and could rank senior to that stock in respect of dividend rights. Holders of Common Stock Class A shall not be entitled to any preemptive, subscription or similar rights in respect to any securities of the Corporation, except as specifically set forth herein or in any other document agreed to by the Corporation. In May 2023, the Company increased its authorized Common Stock Class A to 950,000,000.

#### Convertible Common Stock, Class B

The Company has twenty-three million (23,000,000) authorized shares of \$0.01 par value Convertible Class B Common Stock, convertible at the option of the holder into shares of the Company's Class A Common Stock on a 1:10,000 basis. Effective January 14, 2014, the preferential voting rights of the Convertible Class B Common Stock were changed from preferential voting rights of 2,000 votes to each Class A Common Stock vote (2,000:1) to 10,000 votes to each Class A Common Stock vote (10,000:1). The Company shall reserve and keep available out of its authorized but unissued shares of Class A Common Stock such number of shares sufficient to affect the conversions. Common B was not part of the October 6, 2014 reversed stock split. Upon liquidation, each share of Class B Common Stock is entitled to share equally in our assets available for distribution to the holders of those shares. Holders of Common Stock Class B shall not be entitled to any preemptive, subscription or similar rights in respect to any securities of the Corporation, except as specifically set forth herein or in any other document agreed to by the Corporation.

#### Conversion of Common Stock, Class A to Preferred Stock, Series A

On March 13, 2023, Shaun Passley, Ph.D., our Chief Executive Officer, converted 114,000,000 shares of Common Stock, Class A to 260,911 shares of Preferred Stock, Series A, consistent with the terms of the agreement.

#### Conversion of Common Stock, Class A to Preferred Stock, Series C

On May 9, 2023, Shaun Passley, Ph.D., our Chief Executive Officer, converted 80,000,000 shares of Common Stock, Class A to 80,000,000 shares of Preferred Stock, Series C, consistent with the terms of the agreement.

#### Conversion of Preferred Stock, Series B to Preferred Stock, Series C

On February 2, 2022, GG Mars Capital, Inc., a related party, converted 300,000 shares of Preferred Stock, Series B to 30,300,000 shares of Preferred Stock, Series C, consistent with the terms of the agreement.

#### Conversion of Preferred Stock, Series C to Common Stock, Class A

On January 14, 2022, GG Mars Capital, Inc., a related party, converted 8,988,331 shares of Preferred Stock, Series C to 26,964,993 shares of Common Stock, Class A, consistent with the terms of the agreement.

On January 14, 2022, Star Financial Corporation, a related party, converted 5,875,000 shares of Preferred Stock, Series C to 17,625,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

On March 13, 2023, GG Mars Capital, Inc., a related party, converted 13,000,000 shares of Preferred Stock, Series C to 39,000,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

On March 13, 2023, Star Financial Corporation, a related party, converted 10,000,000 shares of Preferred Stock, Series C to 30,000,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

On March 13, 2023, the Company issued 45,000,000 Common Class A shares for the conversion of 15,000,000 Preferred Series C shares, consistent with the terms of the agreement.

On April 18, 2023, GG Mars Capital, Inc., a related party, converted 10,000,000 shares of Preferred Stock, Series C to 30,000,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

On May 1, 2023, GG Mars Capital, Inc., a related party, converted 10,000,000 shares of Preferred Stock, Series C to 30,000,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

On May 09, 2023, Star Financial Corporation, a related party, converted 12,025,000 shares of Preferred Stock, Series C to 36,075,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

On May 11, 2023, the Company issued 30,000,000 Common Class A shares for the conversion of 10,000,000 Preferred Series C shares, consistent with the terms of the agreement.

On May 26, 2023, the Company issued 30,000,000 Common Class A shares for the conversion of 10,000,000 Preferred Series C shares, consistent with the terms of the agreement.

On May 26, 2023, GG Mars Capital, Inc., a related party, converted 10,000,000 shares of Preferred Stock, Series C to 30,000,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

On July 13, 2023, Star Financial Corporation, a related party, converted 11,666,667 shares of Preferred Stock, Series C to 35,000,001 shares of Common Stock, Class A, consistent with the terms of the agreement.

On August 16, 2023, the Company issued 30,000,000 Common Class A shares for the conversion of 10,000,000 Preferred Series C shares, consistent with the terms of the agreement.

On September 05, 2023, GG Mars Capital, Inc., a related party, converted 10,000,000 shares of Preferred Stock, Series C to 30,000,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

On September 08, 2023, Star Financial Corporation, a related party, converted 13,008,333 shares of Preferred Stock, Series C to 39,024,999 shares of Common Stock, Class A, consistent with the terms of the agreement.

On October 3, 2023, the Company issued 45,000,000 Common Class A shares for the conversion of 15,000,000 Preferred Series C shares, consistent with the terms of the agreement.

On October 25, 2023, GG Mars Capital, Inc., a related party, converted 10,000,000 shares of Preferred Stock, Series C to 30,000,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

On October 25, 2023, Star Financial Corporation, a related party, converted 15,000,000 shares of Preferred Stock, Series C to 45,000,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

On November 6, 2023, the Company issued 45,000,000 Common Class A shares for the conversion of 15,000,000 Preferred Series C shares, consistent with the terms of the agreement.

On December 4, 2023, GG Mars Capital, Inc., a related party, converted 20,000,000 shares of Preferred Stock, Series C to 60,000,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

On December 4, 2023, Star Financial Corporation, a related party, converted 20,000,000 shares of Preferred Stock, Series C to 60,000,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

On December 4, 2023, the Company issued 45,000,000 Common Class A shares for the conversion of 15,000,000 Preferred Series C shares, consistent with the terms of the agreement.

On December 26, 2023, the Company issued 45,000,000 Common Class A shares for the conversion of 15,000,000 Preferred Series C shares, consistent with the terms of the agreement.

#### Preferred Stock, Series C Shares Issued for Conversion of Debt and Accrued Interest

On March 22, 2023, GG Mars Capital, Inc., a related party, converted a total of \$312,500 debt and accrued interest to 31,250,000 shares of Preferred Stock, Series C, consistent with the terms of the agreement.

On March 22, 2023, Star Financial Corporation, a related party, converted a total of \$246,750 debt and accrued interest to 24,675,000 shares of Preferred Stock, Series C, consistent with the terms of the agreement.

On March 22, 2023, the Company issued 20,000,000 shares of Preferred Stock, Series C for the conversion of debt of \$146,919 and accrued interest of \$53,081.

On April 17, 2023, the Company issued 21,276,595 shares of Preferred Stock, Series C for the conversion of debt of \$194,537 and accrued interest of \$5,463.

On September 28, 2023, Star Financial Corporation, a related party, converted a total of \$673,645 debt and accrued interest to 67,364,500 shares of Preferred Stock, Series C, consistent with the terms of the agreement.

On September 29, 2023, the Company issued 30,000,000 shares of Preferred Stock, Series C for the conversion of debt of \$48,000 and accrued interest of \$-0-.

On October 18, 2023, GG Mars Capital, Inc., a related party, converted a total of \$595,725 debt and accrued interest to 59,572,500 shares of Preferred Stock, Series C, consistent with the terms of the agreement.

On September 29, 2023, the Company issued 30,000,000 shares of Preferred Stock, Series C for the conversion of debt of \$35,000 and accrued interest of \$-0-.

## **(10) Sale of PacePlus, Inc.**

On February 11, 2019, ZenaTech, Inc. (previously “ZenaPay, Inc.”) acquired PacePlus, Inc. (“PacePlus”) via stock purchase agreement, in which 100% of PacePlus common stock was purchased from Epazz, Inc. for one million seven hundred fifty thousand (\$1,750,000) in a form of a 10-year promissory note for one million seven hundred fifty thousand (\$1,750,000) at 6% interest rate. The effective date of the agreement was February 1, 2019. The note provides ZenaTech, Inc. an option to deferred payment for up to 36 months. On March 1, 2019, PacePlus used this option to deferred payment for 24 months of 36 months. No interest income was recorded on Epazz, Inc., as it is considered a related party receivable.

On September 25, 2019, the Company and the ZenaTech, Inc. agreed to convert \$1,524,440 of the PacePlus Note to 15,164,997 common shares of ZenaTech, Inc. at a price of Canadian \$0.15 per share (approximately US \$0.10 per share).

Epazz, Inc. continues to provide programming, administrative functions, customer support and marketing for PacePlus under a shared management service agreement. Epazz, Inc. records revenue for the shared service agreement when payments are received from ZenaPay, Inc. as required Generally Accepted Accounting Principles (“GAAP”). Revenue received through a shared management service agreement with PacePlus during the period ended December 31, 2023 and 2022 was \$436,000 and \$595,000, respectively.

## **(11) Subsequent Events**

### Conversion of Preferred Stock, Series C to Common Stock, Class A

On January 10, 2024, GG Mars Capital, Inc., a related party, converted 20,000,000 shares of Preferred Stock, Series C to 60,000,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

On January 10, 2024, Star Financial Corporation, a related party, converted 20,000,000 shares of Preferred Stock, Series C to 60,000,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

On February 7, 2024, GG Mars Capital, Inc., a related party, converted 18,122,500 shares of Preferred Stock, Series C to 54,367,500 shares of Common Stock, Class A, consistent with the terms of the agreement.

On February 13, 2024, Star Financial Corporation, a related party, converted 12,364,500 shares of Preferred Stock, Series C to 37,093,500 shares of Common Stock, Class A, consistent with the terms of the agreement.

On March 7, 2024, Star Financial Corporation, a related party, converted 20,000,000 shares of Preferred Stock, Series C to 60,000,000 shares of Common Stock, Class A, consistent with the terms of the agreement.

### Conversion of Preferred Stock, Series B to Preferred Stock, Series C

On February 29, 2024, Star Financial Corporation, a related party, converted 400,000 shares of Preferred Stock, Series B to 40,400,000 shares of Preferred Stock, Series C, consistent with the terms of the agreement.

On March 13, 2024, GG Mars Capital, Inc., a related party, converted 400,000 shares of Preferred Stock, Series B to 40,400,000 shares of Preferred Stock, Series C, consistent with the terms of the agreement.

## 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 Annual Report.

The certifications shall follow the format below:

I, Shaun Passley certify that:

1. I have reviewed this Disclosure Statement for Epazz, 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.

April 9, 2024 [Date]

/s/Shaun Passley [CEO's Signature]

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

### *Principal Financial Officer:*

I, Shaun Passley certify that:

1. I have reviewed this Disclosure Statement for Epazz, 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.

April 9, 2024 [Date]

/s/Shaun Passley [CFO's Signature]

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