WLMG Holding, Inc.
A Public Holding Company

Initial Company Information and Disclosure Statement, Item 5) Financial Statements

Consolidated Financial Statements Including Notes For the Year Ended December 31, 2014

For
WLMG Holding Inc.
[WHLX]

Submitted on:
November 17, 2016

Submitted pursuant to and in accordance with
OTC Pink Basic Disclosure Guidelines
(v1.1 April 25, 2015)

Forward-Looking Statements: The statements contained in this document include certain statements, predictions and projections that may be considered forward-looking statements under securities law. These statements involve a number of important risks and uncertainties that could cause actual results to differ materially including, but not limited to, the supply and demand for the Company's products, our ability to remain technologically competitive, as well as other economic, competitive and technological factors involving the Company's operations, markets, services, products, and prices.

5) Financial Statements

The financial statements presented below are for the Annual Report which include Consolidated Financial Statements for the years ended December 31, 2014 and 2013.

WLMG Holding Inc. and Subsidiaries
Consolidated Balance Sheets

	December 31, 2014		December 31, 2013	
	(Unaudited)		(Unaudited)	
ASSETS				
Current assets:				
Cash	$	39	$	714
Receivables, net		-		-
Receivables from related party, net		-		251,500
Total current assets		39		252,214
Property and equipment, net		1,257,802		-
Total assets	**$**	1,257,841	**$**	252,214
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)				
Current liabilities:				
Accounts payable and accrued expenses	**$**	379,996	**$**	211,485
Related party payable		248,737		66,785
Notes payable, net		96,939		43,217
Derivative liability		63,631		-
Notes payable - related party, net		155,645		150,000
Derivative liability - related party		40,821		-
Capital lease payable		1,292,571		-
Accrued interest		11,761		9,122
Accrued interest - related party		34,282		7,101
Wage and payroll taxes payable		1,184,115		76,500
Total current liabilities		3,508,498		564,210
Total liabilities		3,508,498		564,210

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WLMG Holding Inc. and Subsidiaries
Consolidated Balance Sheets
(Continued)

		December 31, 2014		December 31, 2013
		(Unaudited)		**(Unaudited)**
Stockholders' Deficit:				
Series A preferred as of December 31, 2014; ($.001 par value) 100 shares authorized, no shares outstanding as of December 31, 2014 and no shares outstanding as of December 31, 2013		-		-
Series B preferred as of December 31, 2014; ($.001 par value) 2,000,000 shares authorized, no shares outstanding as of December 31, 2014 and no shares issued and outstanding as of December 31, 2013		-		-
Preferred (not designated) as of December 31, 2014; ($.001 par value) 2,999,900 shares authorized, no shares outstanding as of December 31, 2014 and no shares issued and outstanding as of December 31, 2013		-		-
Common stock as of December 31, 2014; ($.001 par value) 100,000,000 shares authorized, 7,170,000 shares outstanding at December 31, 2014 and 7,170,000 shares outstanding at December 31, 2013		7,170		7,170
Preferred Series A additional paid in capital		-		-
Preferred Series B additional paid in capital		-		-
Preferred (not designated) additional paid in capital		-		-
Additional paid in capital		745,639		745,639
Accumulated deficit		(3,003,466)		(1,064,805)
Total stockholders' deficit		(2,250,657)		(311,996)
Total liabilities and stockholders' deficit	**$**	1,257,841	**$**	252,214

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

WLMG Holding Inc. and Subsidiaries
Consolidated Statements of Operations

	December 31, 2014 (Unaudited)	December 31, 2013 (Unaudited)
SALES		
Sales	$ 300,000	$ -
TOTAL SALES	300,000	-
COST OF SALES	190,000	-
GROSS PROFIT	110,000	-
OPERATING EXPENSES		
Selling, general and administrative	1,925,955	307,672
Total Operating Expenses	1,925,955	307,672
LOSS FROM OPERATIONS	(1,815,955)	(307,672)
OTHER INCOME (EXPENSE)		
Gain / (loss) on write-off of debt	39,769	(59,807)
Loss on derivative liability valuation	(104,452)	-
Interest expense	(30,843)	(9,018)
Interest expense - related party	(27,180)	(7,101)
Total Other Income (Expense)	(122,706)	(75,927)
LOSS BEFORE INCOME TAXES	(1,938,661)	(383,598)
PROVISION (BENEFIT) FOR INCOME TAXES	-	-
NET LOSS	$ (1,938,661)	$ (383,598)
BASIC AND DILUTED LOSS PER COMMON SHARE ATTRIBUTABLE TO WLMG HOLDING INC. SHAREHOLDERS	$ (0.27)	$ (0.05)
WEIGHTED AVERAGE OF COMMON SHARES OUTSTANDING	7,170,000	7,170,000

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

WLMG Holding Inc. and Subsidiaries
Consolidated Statements of Cash Flows

		December 31, 2014		December 31, 2013
		(Unaudited)		(Unaudited)
Cash flows from operating activities:				
Net profit / (loss)	$	(1,938,661)	$	(383,598)
Adjustments to reconcile net loss to net cash used in operating activities:				
Depreciation expense		10,843		-
Amortization of debt discount		34,367		-
Loss on derivative liability valuation		40,202		-
Accretion of present value of capital lease		40,926		-
Bad debt expense		269,024		269,024
Changes in operating assets and liabilities:				
Accounts receivables		(17,524)		(269,024)
Accounts payable and accrued expenses		168,512		121,639
Accrued interest		2,639		2,593
Related party payable		181,952		176,365
Related party accrued interest		27,180		7,101
Wages and payroll taxes payable		1,107,615		64,500
Net cash provided by / (used in) operating activities		(72,925)		(11,400)

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WLMG Holding Inc. and Subsidiaries
Consolidated Statements of Cash Flows
(Continued)

		December 31, 2014		December 31, 2013
		(Unaudited)		**(Unaudited)**
Cash flows from investing activities		-		-
Cash flows from financing activities:				
Proceeds from notes payable		89,250		-
Proceeds from warrants		-		11,000
Payments on capital lease		(17,000)		-
Net cash provided by financing activities		72,250		11,000
Net increase (decrease) in cash		(675)		(400)
Cash at beginning of period		714		1,114
Cash at end of period	$	39	$	714
Supplemental disclosures of cash flow information:				
Cash paid for:				
Interest	$	-	$	-
Income taxes	$	-	$	-
Non-cash financing activities:				
Debt discount	$	39,250	$	-
Adjustment to net present value for capital lease	$	(1,268,645)	$	-

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

WLMG HOLDING INC. AND SUBSIDIARIES

Notes to Consolidated Financial Statements
(Unaudited)

For the years ended December 31, 2014 and 2013

Note 1 – Organization, Nature of Business, and Significant Accounting Principles

Organization and Nature of Business to Date

WLMG Holding Inc. (the "Company" or "WLMG") was incorporated in the State of Delaware on February 28, 2007 under the name WLMG Holding Inc. The Company has not changed its name since its incorporation.

Effective July 22, 2016, the Company's sole executive officer and director at the time resigned. Also effective July 22, 2016, following the resignation of the Company's management at the time, Ms. Tammy Taylor was appointed as the Company's Chief Executive Officer and the sole member of the Company's Board of Directors. Effective July 23, 2016, Ms. M. Aimee Coleman was appointed as the Company's Corporate Secretary and Principal Accounting Officer. Also effective July 23, 2016, Mr. Don Dailey was appointed as the Company's President and as the second member of the Company's Board of Directors.

On September 30, 2016, the Company acquired Garb Global Services, Inc. ("Global"), a wholly owned subsidiary of Garb Oil & Power Corporation (GARB), to become a wholly owned subsidiary of the Company. This resulted in a change in reporting entity, which required retrospectively combining the entities for all periods presented as if the combination had been in effect from the earliest date the subsidiary had financial transactions that were included on its accounting records at the time of the acquisition. The financial information of previously separate entities, prior to the acquisition date, is now shown as combined. As of February 28, 2009, the Company's consolidated financial statements include the accounts of the Company and Garb Global Services, Inc. All intercompany accounts and transactions have been eliminated in consolidation.

With the acquisition of Global, that included several technologies, industrial recycling equipment designs, industrial recycling plant designs and their related U.S. manufacturing capabilities, the Company may now 1) attempt to interest purchasers, or potential purchasers, of shredders and other recycling equipment and establishing tire recycling manufacturing plants; and 2) pursue financing to build and operate its own tire waste refinement and recycling industrial manufacturing plants to produce recycled waste tire marketable byproducts, retread tires and fuels, in addition to generating electricity in its own alternate fuels electric power plants.

With the completion of acquiring Global as a wholly owned subsidiary, the Company continues in its mission as a public holding company in seeking other viable acquisitions, in addition to joint venture arrangements, with companies whose operations compliment the Company's newly acquired operations.

Basis of Presentation

The interim consolidated unaudited financial statements included herein have been prepared according to generally accepted accounting principals that are accepted in the United States of America. While management believes the procedures followed in preparing these unaudited financial statements are reasonable, the accuracy of the amounts are in some respects dependent upon the facts that will exist, and procedures that will be accomplished by the Company later in the year.

These interim consolidated unaudited financial statements reflect all adjustments, including normal recurring adjustments which, in the opinion of management, are necessary to present fairly the operations and cash flows for the periods presented.

Fair Value of Financial Instruments

The Company's financial instruments include accounts receivable, accounts payable and accrued expenses, related party payable, notes payable, related party notes payable and derivative liabilities. The principal balance of accounts receivable, accounts payable and accrued expenses, related party payable, notes payable and related party notes payable approximate fair value because current interest rates and terms available to the Company for similar instruments are substantially the same.

Derivative liabilities are recorded at fair value. The Company uses a framework for measuring fair value with a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value as follows:

Level 1. Observable inputs such as quoted prices in active markets;
Level 2. Inputs, other than the quoted prices in active markets, that are observable either directly or indirectly; and
Level 3. Unobservable inputs in which there is little or no market data, which requires the reporting entity to develop its own assumptions.

The fair value hierarchy for recurring fair value measurements is as follows:

	Fair Value as of December 31, 2014	Fair Value Measurements at December 31, 2014 Using Fair Value Hierarchy Level 1	Level 2	Level 3
Liabilities:				
Derivative liability	$ 63,631	$ -	$ -	$ 63,631
Derivative liability - related party	$ 40,821	$ -	$ -	$ 40,821

(Also see Note 5 – Derivative Liability and Note 7 – Derivative Liability – Related Party)

Receivables

The Company's receivables include $249,914 as of December 31, 2014 and $251,500 as of December 31, 2013 related to net of cash advances to former affiliates, $19,110 as of December 31, 2014 and $0 as of December 31, 2013 related to a cash loan to a non-affiliate third party and $150,000 as of December 31, 2014 and $0 as of December 31, 2013 accounts receivable derived from sales derived from sales of products and services to customers operating as recyclers and tire wholesalers. Amounts that have been invoiced are recorded in accounts receivable when revenue recognition criteria have been met. The Company's allowance for doubtful accounts is based on its historical bad debt experience and on current management's evaluation of its ability to collect individual outstanding balances. The Company had an allowance for doubtful accounts and direct write-offs of $419,024 as of December 31, 2014 and $150,000 as of December 31, 2013.

Revenue Recognition To Date

Revenue is recognized when the following criteria are met: 1. persuasive evidence of an arrangement exists, which is generally in the form of a signed contract which specifies a fixed price, 2. the sales amount is determinable, 3. when title is transferred, which is when goods shipped to the customer has been received and accepted or services have been rendered, and 4. collection is reasonably assured. The Company engages in product sales.

Note 2 – Going Concern

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the ordinary course of business. As shown in the consolidated financial statements, the Company has incurred a net loss of $1,938,661 for the year ended December 31, 2014 and has a net accumulated deficit of $3,003,466. These factors, among others, raise substantial doubt about the Company’s ability to continue as a going concern for a reasonable period of time. The consolidated financial statements do not include any adjustments relating to the recoverability and Classification of recorded asset amounts or the amount and Classification of liabilities that might be necessary should the Company be unable to continue as a going concern. The Company’s ability to continue as a going concern is dependent upon its ability to generate sufficient cash flows to meet its obligations on a timely basis, to obtain additional financing as may be required, and its ability to continue its implementation of operations. Management is continuing its efforts to obtain the necessary financing as may be required to generate sufficient cash flows for current and future operations. Management is pursuing avenues of generating cash or revenues during the next twelve months.

There is no assurance that the Company will be able to obtain additional cash flow from operations or to obtain additional financing. If these are not available to the Company, the Company may not be able to continue operations. While management remains confident that transactions will proceed, no assurances can be expressed as to the Company’s continuing viability in the absence of revenues. Current funding has come from operations and sales and the Company is currently in negotiations with several investment sources for equity investment in the company, which if successful, will satisfy long-term operations and capital expenditures. There are no guarantees that such negotiations will be successful.

Note 3 – Related Party Transactions

Related party payable consisted of the following at December 31, 2014:

	December 31, 2014
Accounts payable to DreamPrize Productons Ltd, due on demand, no interest, unsecured. The President of DreamPrize Productions Ltd is Michelle Ellman, former Company President and Sole Director. Related party status will expire after three months of no longer being an affiliate, or after October 22, 2016	$ 2,290
Accounts payable to Tammy Taylor, Chief Executive Officer, due on demand, no interest, unsecured	3,820
Accounts payable to Corporate Business Advisors, Inc., due on demand, no interest, unsecured. Related party status will expire after three months of no longer being an affiliate, or after December 30, 2016	127
Accounts payable to Business Executive Services, Inc., due on demand, 18% per annum interest, unsecured	242,500
Total	$ 248,737

As of December 31, 2014 and December 31, 2013 the related party accrued interest was $34,282 and $7,101, respectively.

On April 16, 2014, the Company granted Michael Ellman a $1,000,000 bonus that is payable in full into 8,500,000 common shares for efforts to date, payable at such time Mr. Ellman determines to be issued until paid in full.

See Notes 6 and 7 for discussions on the related party note payable and the related party derivative liability balances, respectively.

Note 4 – Notes Payable

Unsecured notes payable balance net of discounts was $96,939 as of December 31, 2014, net of debt discounts of $10,528, and $43,217 as of December 31, 2013, net of debt discounts of $0.

June 23, 2010 Note

On June 23, 2010 the Company converted $43,217 of accounts payable into an unsecured promissory note. The note bears interest at 6% per annum and is due on demand. The balance of the June 22, 2010 Note as of December 31, 2014 and December 31, 2013 was $43,217, net of debt discounts of $0.

June 3, 2014 Note

On June 3, 2014 the Company entered into a $6,250 unsecured convertible note for a $5,000 cash loan plus $1,250 in documentation fees the Company recorded as an administrative expense. The note bears interest at 0% per annum and has a maturity date of June 3, 2015. The note agreement contains a change in the interest rate to 10% default interest rate should the note go into default, interest accruing from the June 3, 2014 Note date. On June 4, 2015 the Company defaulted on the note and the note interest per annum increased to 10% accruing from the June 3, 2014 Note date. The balance of the June 3, 2014 Note as of December 31, 2014 was $3,613, net of debt discounts of $2,637.

June 6, 2014 Note

On June 6, 2014 the Company entered into a $25,000 unsecured convertible note for a $25,000 cash loan. The note bears interest at 0% per annum and is due on demand. The balance of the June 6, 2014 Note as of December 31, 2014 was $25,000, net of debt discounts of $0.

August 13, 2014 Note

On August 13, 2014 the Company borrowed $33,000 pursuant to a discounted unsecured convertible note amount of $46,500 when the note matures. The $13,500 discount will be an administrative expense once the note matures. The note bears interest at 0% per annum, has a maturity date of February 13, 2015 and has a 12% default interest rate should the note go into default. The balance of the August 13, 2014 Note as of December 31, 2014 was $25,109, net of debt discounts of $7,891.

Note 5 - Derivative Liability

The Company's derivative liability consists of the embedded conversion feature of its convertible notes payable convertible debt. As the notes payable convertible debt have conversion rates that prevent calculating the number of shares into which they can convert, the conversion feature has been separated from the underlying notes and valued as a derivative liability.

During 2014, the Company entered into its first convertible notes payable debt agreements. As a result, the Company estimated the fair value of the derivative liability as of December 31, 2014 was $63,631 and December 31, 2013 was $0.

Following is a table showing activity in the derivative liability account.

Balance January 1, 2013	$	-
Additions		-
Deletions		-
Change in derivative liability		-
Balance December 31, 2013	$	-
Additions		63,631
Deletions		-
Change in derivative liability		-
Balance December 31, 2014	$	63,631

The derivative liability was valued at December 31, 2014 using the Black Scholes option valuation model with the following inputs.

Expected life in years	1
Stock price volatility	218%
Discount rate	0.160%
Expected dividends	None

Note 6 - Notes Payable - Related Party

Unsecured related party notes payable balance net of discounts as of December 31, 2014 was $155,645, net of debt discounts of $19,355 and December 31, 2013 was $150,000, net of debt discounts of $0.

September 26, 2013 Note

On September 26, 2013 the Company issued an unsecured promissory note to Corporate Business Advisors, Inc. for $150,000 as part of a non-cash select assets and liabilities purchase agreement. The note bears no interest and has a maturity date of August 31, 2014. On September 1, 2014 the Company defaulted on the note. The balance of the September 26, 2013 Note as of December 31, 2014 and December 31, 2013 was $150,000, net of debt discounts of $0.

December 17, 2014 Note

On December 17, 2014 the Company entered into a $25,000 unsecured convertible note with Corporate Business Advisors, Inc. for $24,500 in total cash loans to date plus $500 in documentation fees the Company recorded as an administrative expense. The note bears interest at 18% per annum, has a maturity date of February 17, 2015, and has a 24% default compound interest rate should the note remain in default after a five day grace period. The balance of the December 17, 2014 Note as of December 31, 2014 was $5,645, net of debt discounts of $19,355.

Note 7 - Derivative Liability – Related Party

The Company's derivative liability – related party consists of the embedded conversion feature of its convertible notes payable debt to a related party. As the notes payable to a related party have conversion rates that prevent calculating the number of shares into which they can convert, the conversion feature has been separated from the underlying notes and valued as a derivative liability – related party. During the year ended 2014, the Company entered into its first note payable to a related party. The estimated fair value of derivative liability – related party as of December 31, 2014 was $40,821 and December 31, 2013 was $0.

Following is a table showing activity in the derivative liability – related party account.

Balance January 1, 2013	$	-
Additions		-
Deletions		-
Change in derivative liability – related party		-
Balance December 31, 2013		-
Additions		40,821
Deletions		-
Change in derivative liability – related party		-
Balance December 31, 2014	$	40,821

The derivative liability – related party was valued at December 31, 2014 using the Black Scholes option valuation model with the following inputs.

Expected life in years	1
Stock price volatility	218.0%
Discount rate	0.160%
Expected dividends	None

Note 8 – Capital Lease

On September 1, 2014, the Company entered into a lease to own lease agreement for an office and warehouse's 16,838 square foot portion of the property's total 55,785 square foot space. The lease is considered a capital lease, therefore the building asset and an offsetting note payable has been recorded on the Company's books. Lease payments are $7,000 per month with $5,000 per month being applied to the $1,385,000 purchase price. The balance of the September 1, 2014 capital lease agreement as of December 31, 2014 was $1,292,571.

Note 9 – Equity

During the year ended December 31, 2014, no shares of Capital Stock were issued. No options were issued or outstanding and warrants of $11,000 were issued and none were outstanding.

Note 10 – Subsequent Events

The Company has evaluated subsequent events pursuant to ASC Topic 855 from the balance sheet date through the date of this filing and has determined that subsequent events have occurred as follows.

Notes Payable - Related Party - January 30, 2015

On January 30, 2015 the Company borrowed $4,500 pursuant to a discounted unsecured convertible note amount of $5,000. The Company recorded the $500 discount as an administrative expense. The note bears interest at 18% per annum and has a maturity date of March 16, 2015. The note agreement contains a change in the interest rate to 24% default interest rate or the highest allowed by law should the note go into default.

On July 22, 2016, Tammy Taylor was appointed as Company Director and Chief Executive Officer.

On July 22, 2016, Michael Ellman resigned from each of his Company management positions and as Director of the Company. This resulted in Ms. Taylor becoming the Sole Director of the Company.

On July 22, 2016, the Company authorized one million shares of Common Stock to be issued to Tammy Taylor as a bonus.

On July 23, 2016, Don Dailey was appointed as Company Director and President. This resulted in Mr. Daily becoming the second Director of the Company.

On July 23, 2016, M. Aimee Coleman was appointed as Company Corporate Secretary and Principal Accounting Officer

On July 23, 2016, the Company authorized six hundred seventy five thousand shares of Common Stock to be issued to M. Aimee Coleman as a bonus.

On September 16, 2016, as allowed by the Company's Articles of Incorporation, the second paragraph of Article 4, the Board of Directors of the Company approved two designations of the Companies Preferred Stock, Series A and Series B, and filed same as an amendment to the Company's Articles with the State of Delaware. This resulted in a change in equity structure, requiring all subsequent financial reporting to include the two designations as if the two designations of the Companies Preferred Stock, Series A and Series B were in effect as of the period ended date being reported. The Delaware amendment's details of the two new Company Preferred Stock Series A and Series B, including conversion and voting rights, are as follows.

> As provided for in the second paragraph of this Article Four, Series A Preferred Stock is designated by the Board of Directors, whose number of fixed shares authorized to issue is one hundred (100) and whose par value remains at the original Preferred Stock designation of $0.001. The voting power of Series A Preferred Stock as a stock class shall be four (4) times the total votes of all other Preferred Stock Series Designations' votes plus the Common Stock's votes, resulting in all Series A Preferred shares as a stock class will have at all times be casting eighty percent (80%) of the total votes being cast. The Series A Preferred shareholders will have voting power based on their respective proportional number of total Series A Preferred shares that each shareholder holds. Issuance of Series A Preferred Stock shares is at the discretion of the Board of Directors as evidenced by Board Resolution(s) to issue same. Once the first shares of the Series A Preferred Stock are issued, changes to the Series A Preferred Stock's designations, descriptions, voting rights, etc., including dilution of existing Series A Preferred Stock shareholders' voting power, must be approved by a majority vote and resulting written shareholder resolution of the Series A Preferred Stock's shareholders prior to the stock class changes or new Series A Preferred shares issuance are made. The Conversion Rights of Series A Preferred shares to any other stock class shall be based on the relative value of the other stock class shares to be received to the value that the Series A Preferred shares were originally issued for and is at the discretion of the Series A Preferred Stock shareholder. For conversion to other Series Preferred shares, the relative price per share value of the other Series Preferred shares is the designated value per share of the other Series Preferred shares. For conversion to Common shares, the relative price per share value of Common shares is the average of the ten (10) trading days prior to the conversion date's closing price per share of each trading day. All Series A Preferred shares converted at a discounted rate are to be agreed to by the Board of Directors as evidenced by Board Resolution(s) to issue same.
>
> As provided for in the second paragraph of this Article Four, Series B Preferred Stock is designated by the Board of Directors, whose number of fixed shares authorized to issue is two million (2,000,000) and whose par value remains at the original Preferred Stock designation of $0.001. The voting power of Series B Preferred Stock shall be ten (10) times the number of Series B Preferred shares held. Issuance of Series B Preferred Stock shares is at the discretion of the Board of Directors as evidenced by Board Resolution(s) to issue same, for value received at the Series B Preferred designated value per share of five dollars and no cents ($5.00). All Series B Preferred shares issued at a discounted rate to the designated value per share of Series B Preferred Stock are to be agreed to by the Board of Directors as evidenced by Board Resolution(s) to issue same. Once the first shares of the Series B Preferred Stock are issued, changes to the

Series B Preferred Stock's designations, descriptions, voting rights, etc. must be approved by a majority vote and resulting written shareholder resolution of the Series B Preferred Stock's shareholders in order for the changes to be made. The Conversion Rights of Series B Preferred shares are only convertible to Common shares based on the relative face value of the Series B Preferred shares at the designated value per share and at the discretion of the Series B Preferred Stock shareholder. For conversion to Common shares, the relative price per share value of Common shares is the average of the ten (10) trading days prior to the conversion date's closing price per share of each trading day. All Series B Preferred shares converted to Common shares at a discounted rate are to be agreed to by the Board of Directors as evidenced by Board Resolution(s) to issue same.

On September 30, 2016, the Company acquired Garb Global Services, Inc., a wholly owned subsidiary of Garb Oil & Power Corporation (GARB), to become a wholly owned subsidiary of the Company. (Also see Note 1.)

On September 30, 2016, the Company authorized 100 shares of its Series A Preferred Stock to be issued to Business Executive Services, Inc. upon conversion of $230,000 of debt incurred by the Company from 2013 to 2016. The debts bore interest at the rate of 18.0% per annum and were converted into the Company’s Series A Preferred Stock at $2,300 per share of Series A Preferred Stock, with a comparable Series A Preferred Stock voting rights' per vote of $0.01, rounding up the resulting calculation to the nearest $10,000. The voting rights of the Series A Preferred Stock as a class of voting rights is equal to 80% of the total Company's voting rights. Mr. David Gray, who is the President of Business Executive Services, Inc., has voting and dispositive control over securities held by Business Executive Services, Inc.

Effective November 4, 2016, the Company’s President, Don Dailey, who was also one of the two members of the Company’s Board of Directors, resigned all his Company positions due to changes in his personal circumstances. Also effective November 4, 2016, following the stated resignation of Don Dailey, Ms. Tammy Taylor became the sole member of the Company’s Board of Directors until time allows for adding additional member(s) to the Company’s Board of Directors.

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