

**CAPITAL FINANCIAL GLOBAL, INC.
AND SUBSIDIARY**

CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2017

(Unaudited)

**CAPITAL FINANCIAL GLOBAL, INC.
AND SUBSIDIARY
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**Capital Financial Global, Inc. and Subsidiary
Consolidated Balance Sheets**

	March 31, 2017	December 31, 2016
	(Unaudited)	(Unaudited)
Assets		
Current Assets		
Cash and cash equivalents	\$ 2,601	\$ -
Interest income receivable, net of allowance	3,667	2,987
Other notes receivable	23,000	23,000
Total Current Assets	29,268	25,987
Total Assets	\$ 29,268	\$ 25,987
Liabilities and Stockholders' Equity (Deficit)		
Current Liabilities		
Accounts payable	\$ 32,171	\$ 32,288
Accrued interest payable	227,433	237,289
Accrued compensation and payroll taxes	-	598,272
Notes payable - related party	11,845	43,303
Current notes payable	23,250	103,184
Other current liabilities	-	11,000
Total Current Liabilities	294,700	1,025,335
Long term notes payable	646,645	646,645
Total Liabilities	941,345	1,671,980
Stockholders' Equity (Deficit)		
Preferred stock		
Series A, \$0.001 par value, 100 shares authorized, 100 shares issued and outstanding;	2,802,025	2,802,025
Series B, \$0.001 par value, 50,000,000 shares authorized, 2,629,200 shares and 3,231,200 shares issued and outstanding, respectively	3,231,200	2,439,200
Common stock, \$0.001 par value, 1,850,000,000 shares authorized, 1,786,275,318 shares and 1,626,275 shares issued and outstanding, respectively	1,786,275	1,786,275
Additional paid-in capital	204,502	204,551
Accumulated deficit	(8,936,078)	(8,878,045)
Total Stockholders' Equity (Deficit)	(912,076)	(1,645,993)
Total Liabilities and Stockholders' Equity (Deficit)	\$ 29,268	\$ 25,987

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

Capital Financial Global, Inc. and Subsidiary
Consolidated Statements of Operations

	For the Three Months Ended	
	March 31,	
	2017	2016
	(Unaudited)	(Unaudited)
Revenues		
Interest Income		
Interest and fees on loans	\$ 681	\$ 92,474
Interest on fixed maturity trading securities		
Total Interest Income	681	92,474
Interest Expense		
Interest on credit lines	-	-
Interest on warehouse lines	-	-
Total Interest Expense	-	-
Net Interest Income	681	92,474
Noninterest Income		
Net realized trading gains (losses)	-	465
Net unrealized trading gains (losses)	-	-
Loan origination commissions	-	-
Loan servicing fees	-	-
Total non-interest income	-	465
Net Revenue	681	92,939
Operating Expenses		
Compensation and benefits	32,295	32,295
Marketing	-	900
Occupancy	-	2,491
Professional fees	5,749	2,900
Other general and administrative	7,583	2,972
Depreciation and amortization	-	197
Total operating expense	45,627	41,755
Operating Income (Loss)	(44,946)	51,184
Other Expenses		
Loss on extinguishment of debt	(8,965)	-
Non-operating interest expense	(4,121)	(26,311)
Provision for loan losses	-	-
Loss before income taxes	(58,032)	24,873
Provision for income tax	-	-
Net Loss	(58,032)	24,873
Series A preferred dividends	-	(35,546)
Series B preferred dividends accumulated and unpaid	-	(31,278)
Net loss applicable to common shareholders	\$ (58,032)	\$ (41,951)

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

Capital Financial Global, Inc. and Subsidiary
Consolidated Statements of Changes in Stockholders' Equity (Deficit)
For the Years Ended December 31, 2014, 2015, and 2016,
and for the three months ended March 31, 2017

(Unaudited)

	Series A Preferred Stock		Series B Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance, December 31, 2014	100	\$ 2,590,080	3,171,200	\$ 3,171,200	949,207,518	\$ 949,207	\$ 407,737	\$ (5,802,174)	\$ 1,316,050
Common Stock issued for conversion of debt	-	-	-	-	677,067,800	677,068	(642,603)	-	34,465
Series B Shares issued for cash	-	-	28,000	28,000	-	-	-	-	28,000
Series A preferred dividends	-	43,946	-	-	-	-	-	(43,946)	-
Cancellation of Series B Shares	-	-	(770,000)	(770,000)	-	-	-	-	(770,000)
Sale of note held for sale	-	-	-	-	-	-	54,187	-	54,187
Net loss	-	-	-	-	-	-	-	(2,016,280)	(2,016,280)
Balance, December 31, 2015	100	\$ 2,634,025	2,429,200	\$ 2,429,200	1,626,275,318	\$ 1,626,275	\$ (180,679)	\$ (7,862,399)	\$ (1,353,577)
Common Stock issued for conversion of debt	-	-	-	-	160,000,000	160,000	(154,770)	-	5,230
Series A preferred dividends	-	168,000	-	-	-	-	-	(168,000)	-
Series B Shares issued for officer compensation	-	-	200,000	200,000	-	-	-	-	200,000
Series B Shares issued in settlement of legal claims	-	-	250,000	250,000	-	-	-	-	250,000
Cancellation of Series B Shares	-	-	(540,000)	(540,000)	-	-	540,000	-	-
Series B Shares issued for conversion of debt	-	-	100,000	100,000	-	-	-	-	100,000
Net loss	-	-	-	-	-	-	-	(847,647)	(847,647)
Balance, December 31, 2016	100	\$ 2,802,025	2,439,200	\$ 2,439,200	1,786,275,318	\$ 1,786,275	\$ 204,551	\$ (8,878,046)	\$ (1,645,995)
Series B Shares issued for cash	-	-	16,000	16,000	-	-	-	-	16,000
Series B Shares issued for conversion of debt	-	-	141,000	141,000	-	-	(50)	-	140,950
Series B Shares issued for accrued officer commensation	-	-	635,000	635,000	-	-	-	-	635,000
Net loss	-	-	-	-	-	-	-	(58,032)	(58,032)
Balance, March 31, 2017	100	\$ 2,802,025	3,231,200	\$ 3,231,200	1,786,275,318	\$ 1,786,275	\$ 204,501	\$ (8,936,078)	\$ (912,077)

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

Capital Financial Global, Inc. and Subsidiary
Consolidated Statements of Cash Flows

	For the Three Months Ended	
	March 31,	
	2017	2016
	(Unaudited)	(Unaudited)
Cash flows from operating activities		
Net loss	\$ (58,032)	\$ (259,515)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Loss on extinguishment of debt	8,965	-
Series B Preferred Shares issued for officer compensation	-	200,000
Changes in operating assets and liabilities:		
Interest income receivable	681	(688)
Accounts payable and accrued liabilities	(116)	-
Accrued interest payable	(9,856)	21,307
Accrued compensation and payroll liabilities	(598,272)	32,286
Net cash provided (used) by operation activities	(656,630)	(6,610)
Cash flows from investing activities		
Net cash provided (used) by investing activities	-	-
Cash flows from financing activities		
Common stock issued, net of paid-in capital	-	5,230
Series A Preferred Stock dividends	-	-
Series B Preferred Stock	792,000	-
Net proceeds (payments/cancellation) on debt	(133,223)	(5,230)
Net proceeds from notes payable	-	1,460
Net proceeds from related party note payable	454	7,560
Net cash provided (used) by financing activities	659,231	9,020
Net increase (decrease) in cash and cash equivalents	2,601	2,410
Cash and cash equivalents, beginning of period	0	368
Cash and cash equivalents, end of period	\$ 2,601	\$ 2,778
Supplemental Disclosures of Cash Flow Information		
Non-cash financing activities:		
Common stock issued for conversion of debt	-	160,000,000
Common stock issued for services	-	200,000

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

**Capital Financial Global, Inc.
And Subsidiary
Notes to the Consolidated Financial Statements
March 31, 2016 (unaudited)**

NOTE 1- BASIS OF PRESENTATION

The accompanying interim consolidated financial statements were prepared by the Company without audit. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States of America have been condensed or omitted. In management's opinion all necessary adjustments, which consist primarily of normal recurring adjustments, to the consolidated financial statements have been made to present fairly the consolidated financial position and results of operations and cash flows. The results of operations for the respective periods presented are not necessarily indicative of the results for the respective complete years. These consolidated financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's annual financial statements as of and for the year ended December 31, 2016.

Recent Accounting Pronouncements

Management has considered all recent accounting pronouncements issued during the periods presented in the accompanying consolidated financial statements. The Company's management believes that these recent pronouncements will not have a material effect on the Company's consolidated financial statements.

NOTE 2 – BUSINESS CONDITION

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. The Company has had recurring losses along with an accumulated deficit totaling \$ 8,936,078 as of March 31, 2017. These matters raise substantial doubt about the Company's ability to continue as a going concern. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Management's plans concerning these matters are to obtain additional debt and equity financing and expand lending to produce future revenues.

NOTE 3 – FAIR VALUE OF FINANCIAL INSTRUMENTS

The Company's financial instruments include cash, notes and other receivables, accounts payable and notes payable. The carrying amounts of cash, notes and other receivables, and accounts payable approximate their fair value due to their short maturities.

The financial instrument assets carried at fair value on a recurring basis at March 31, 2017 are as follows:

Description	Total Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Notes receivable	\$ 23,000	\$ -	\$ -	\$ 23,000
Note held for sale	0	-	-	0
Total	\$ 23,000	\$ -	\$ -	\$ 23,000

**Capital Financial Global, Inc.
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Notes to the Consolidated Financial Statements
March 31, 2016 (unaudited)**

NOTE 4 – OTHER NOTES RECEIVABLE

On December 2, 2015, the Company made a loan to Quantum Refiners, LLC in the amount of \$23,000, accruing interest at 12%, with a maturity date of December 31, 2018.

NOTE 5 – NOTE HELD FOR SALE

As of March 31, 2017, the Company does not have any notes held for sale. However, the Company is actively pursuing the acquisition of notes held for sale as part of its core business model.

NOTE 6 – ACCRUED COMPENSATION AND PAYROLL TAXES

As of March 31, 2017, the company owed its President and Chief Executive Officer Paul Edward Norat \$ \$630,566.66 in Accrued Compensation. On March 31, 2017, the Company issued 635,000 shares of its Series B Preferred Stock to Mr. Norat in exchange for full payment and release compensation owed through period end. A corresponding net loss to reflect the difference of \$4,433.34 was booked.

NOTE 7 – RELATED PARTY NOTES PAYABLE

As of March 31, 2017, the company owed its President and Chief Executive Officer Paul Edward Norat a net amount of \$11,845 for various cash amounts paid to the Company during the period.

NOTE 8 – CURRENT NOTES PAYABLE

Alisa Wright

On August 26, 2016, the Company executed a promissory note payable to Alisa Wright in the amount of \$20,000. The note bears interest at 12% per annum and matures on August 25, 2017.

Amulet Industries, LLC.

As of March 31, 2017, the company owed Amulet Industries, LLC., a total of \$56,559.22 for various cash amounts loaned to the Company in prior periods. On March 31, 2017, the Company issued 60,000 shares of its Series B Preferred Stock to Amulet in exchange for full and complete payment, satisfaction, and release of all liability to Amulet. A corresponding net loss to reflect the difference of \$3,440.78 was booked.

Norat & Company, LLC.

As of March 31, 2017, the company owed Norat & Company, LCC., a total of \$ \$32,795.15 for various cash amounts loaned to the Company in prior periods. On March 31, 2017, the Company issued 60,000 shares of its Series B Preferred Stock to Norat & Company, LLC., in exchange for full and complete payment, satisfaction, and release of all liability to Norat & Company, LLC. A corresponding net loss to reflect the difference of \$2,204.85 was booked.

Red Castle Enterprises, LLC.

As of March 31, 2017, the company owed Red Castle Enterprises, LLC. ("Red Castle"), a total of \$31,094.52 for two cash loans made to the Company in the original principal amount of \$20,000,

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on November 10, 2014, and \$5,000 on March 20, 2015, including interest in the amount of \$6,094.52, through the end of the period. On March 31, 2017, the Company issued 35,000 shares of its Series B Preferred Stock to Red Castle in exchange for full and complete payment, satisfaction, and release of all liability to Red Castle related to the above notes. A corresponding net loss to reflect the difference of \$2,204.85 was booked. This settlement does not effect the long-term note payable by the Company to Red Castle dated September 29, 2011, in the original principal amount of \$730,000, which remains outstanding (See Note 9).

NOTE 9 – LONG-TERM NOTES PAYABLE

On September 29, 2011, the Company executed a promissory note payable to Red Castle Enterprises in the amount of \$730,000. The note bears interest at 6% per annum and, as amended, has a maturity date of June 30, 2018. Accordingly, these debt obligations have been included in long-term liabilities in the accompanying consolidated financial statements. As of March 31, 2017, the balance owed was \$646,645.

NOTE 10 – PREFERRED STOCK

As of March 31, 2017, the Company had a total of 50,000,100 shares of Preferred Stock authorized, 100 shares of which have been designated as Series A Preferred Stock and 20,000,000 as Series B Preferred Stock. The remaining 30,000,000 shares of Preferred Stock had not yet been designated.

On May 11, 2017, the Board of Directors passed, and the required majority of voting stockholders approved, a resolution to amended the Company's articles of incorporation to provide for an increase in the authorized number of stock the Company can issue. Accordingly, as of July 8, 2017, the Company had a total of 150,000,000 shares of Preferred Stock authorized, 100 shares of which have been designated as Series A Preferred Stock, and 50,000,000 as Series B Preferred Stock. The remaining 29,999,900 shares of Preferred Stock had not yet been designated.

Series A Preferred Stock

The 100 shares of Series A preferred stock, with par value \$0.001 per share, are convertible into 105% of the common shares outstanding immediately prior to conversion. Subsequent to initial issuance, as additional shares of common stock have been issued, the holders of the Series A Preferred Shares have the right to obtain additional shares of common stock upon conversion as a result of the 105% conversion provision. The value of the right to obtain those additional shares of common stock has been recognized as additional value of the Series A Preferred Shares and consideration to the holder of the Series A Preferred Shares in the form of a preferred stock dividend. Accordingly, the value of the Series A preferred stock amounted to \$2,802,025, as of the current period end.

Series B Preferred Stock

The Company's Series B Preferred Stock includes terms that provide for a 4% cumulative dividend, payable quarterly from the date of issuance starting in July 2010, when, as, and if declared by the Company's Board of Directors. As of March 31, 2017, there were 3,231,200 shares of Series B preferred stock outstanding, and no such dividends had been declared.

NOTE 11 – COMMON STOCK

During the three months ended March 31, 2017, there were no shares of common issued, leaving

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1,786,275,316 shares outstanding at period end.

NOTE 12 – MATERIAL RELATED-PARTY EVENTS

None.

NOTE 13 – LITIGATION AND SETTLEMENT

None.

NOTE 14 – SUBSEQUENT EVENTS

None.