CLEAR TV, LTD.

CONSOLIDATED
FINANCIAL STATEMENTS
DECEMBER 31, 2014

CLEAR TV, LTD.

TABLE OF CONTENTS

Rose, Snyder & Jacobs LLP
ACCOUNTANTS & ADVISORS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of
Clear TV, Ltd.

We have audited the accompanying consolidated financial statements of Clear TV, Ltd. and Subsidiaries, which comprise the consolidated balance sheet as of December 31, 2014, and the related consolidated statements of operations, shareholders' equity, and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Clear TV, Ltd. and Subsidiaries as of December 31, 2014, and the results of their operations and their cash flows for year then ended in accordance with accounting principles generally accepted in the United States of America.

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Emphasis-of-matter Regarding Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the consolidated financial statements, the Company's significant operating losses and negative cash flows from operations raise substantial doubt about its 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. Our opinion is not modified with respect to that matter.

Rose, Snyder & Jacobs LLP

Rose, Snyder & Jacobs LLP

Encino, California
United States of America
July 31, 2015

CLEAR TV, LTD.
CONSOLIDATED BALANCE SHEET
DECEMBER 31, 2014

ASSETS

CURRENT ASSETS		
Cash and cash equivalents	$	36,438
Accounts receivable, net of allowance for doubtful accounts of $0		14,400
Prepaid expenses and other current assets		66,662
TOTAL CURRENT ASSETS		117,500
PROPERTY AND EQUIPMENT, cost		
Equipment		651,020
Less accumulated depreciation		(139,504)
NET PROPERTY AND EQUIPMENT		511,516
OTHER ASSETS		
Goodwill		700,000
TOTAL ASSETS	$	1,329,016

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES		
Accounts payable and accrued expenses	$	316,641
Accounts payable, officer		15,900
Accrued payroll and benefits		325,381
Accrued interest		76,344
Other accrued expenses		400,000
Advances from related party		30,929
Notes payable, convertible		100,000
Notes payable		190,000
TOTAL CURRENT LIABILITIES		1,455,195
COMMITMENTS AND CONTINGENCIES, note 6		
SHAREHOLDERS' EQUITY		
Preferred stock, $0.001 par value, 6,666,667 shares authorized, 0 shares issued and outstanding		-
Common stock, $0.001 par value, 50,000,000 shares authorized, 24,288,174 shares issued and outstanding		33,306
Additional paid-in capital		9,080,798
Accumulated deficit		(9,240,283)
TOTAL SHAREHOLDERS' EQUITY		(126,179)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$	1,329,016

See independent auditors' report
and notes to consolidated financial statements.

CLEAR TV, LTD.
CONSOLIDATED STATEMENT OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 2014

REVENUES	$ 33,666
OPERATING EXPENSES	
Operating services	2,760,450
Salaries and benefits	770,352
Outside consultants	690,949
Investor relations	503,056
Indemnification expense	400,000
Legal fees	286,747
Broker fees	235,142
Depreciation	157,143
Professional fees	120,596
Rent	92,757
Travel	64,954
Insurance	48,662
Conference expense	13,012
Miscellaneous expenses	11,495
Meals and entertainment	9,149
Automobile	3,615
Bank fees	2,999
Telephone	1,844
Printing and reproduction	912
TOTAL OPERATING EXPENSES	6,173,834
LOSS FROM OPERATIONS	(6,140,168)
OTHER INCOME (EXPENSE)	
Interest expense	(274,472)
Loss on property and equipment	(352,770)
Impairment of convertible debentures	(159,775)
TOTAL OTHER INCOME (EXPENSE)	(787,017)
NET LOSS	$ (6,927,185)

See independent auditors' report
and notes to consolidated financial statements.

CLEAR TV, LTD.
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014

	Common Stock		Additional Paid-		Accumulated	
	Shares	Amount	In Capital	Treasury Shares	Deficit	Total
SHAREHOLDERS' EQUITY - January 1, 2014	21,388,899	$ 29,561	$ 3,849,039	$ -	$ (2,313,098)	$ 1,565,502
Founders' shares cancelled	(954,900)	(955)	955	-	-	-
Shares issued for cash, net of transaction costs	2,447,325	2,447	3,426,952	-	-	3,429,399
Shares issued for purchase of convertible debentures	106,517	1,065	158,710	-	-	159,775
Shares issued upon conversion of debt	811,333	811	1,036,189	-	-	1,037,000
Shares issued to vendors	3,667	4	4,496	-	-	4,500
Shares issued for services	485,333	485	634,140	-	-	634,625
Common stock warrants issued for services	-	-	75,511	-	-	75,511
Discount on convertible notes	-	-	122,500	-	-	122,500
Repurchase of shares	(111,632)	-	-	(227,806)	-	(227,806)
Treasury shares retired	111,632	(112)	(227,694)	227,806	-	-
Net loss	-	-	-	-	(6,927,185)	(6,927,185)
SHAREHOLDERS' EQUITY - December 31, 2014	24,288,174	$ 33,306	$ 9,080,798	$ -	$ (9,240,283)	$ (126,179)

See independent auditors' report
and notes to consolidated financial statements.

CLEAR TV, LTD.
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$	(6,927,185)
Adjustments to reconcile net loss to net cash used in operating activities:		
Loss on property and equipment		352,770
Impairment of convertible debentures		159,775
Common stock issued for services		634,625
Common stock warrants issued for services		75,511
Depreciation		157,143
Amortization of debt discount		198,128
Changes in assets - (increase) decrease:		
Accounts receivable		(14,400)
Prepaid expenses and other current assets		(66,662)
Changes in liabilities - increase (decrease):		
Accounts payable and accrued expenses		248,588
Accounts payable, officer		(3,900)
Accrued payroll and benefits		325,381
Accrued interest		76,344
Other accrued expenses		400,000
NET CASH USED IN OPERATING ACTIVITIES		(4,383,882)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from advances from related party		134,000
Repayments on advances from related party		(103,071)
Proceeds from issuance of convertible debt		744,500
Proceeds from issuance of notes payable		190,000
Proceeds from sale of common stock		3,429,399
Payments to repurchase shares		(227,806)
NET CASH PROVIDED BY FINANCING ACTIVITIES		4,167,022
NET DECREASE IN CASH AND CASH EQUIVALENTS		(216,860)
CASH AND CASH EQUIVALENTS, BEGINNING		253,298
CASH AND CASH EQUIVALENTS, END	$	36,438
SUPPLEMENTAL DISCLOSURES ON CASH PAID		
Interest paid in cash	$	-
Income taxes paid in cash	$	-
SUPPLEMENTAL DISCLOSURES ON NON-CASH ACTIVITY		
Common stock issued for conversion of debt	$	1,037,000
Common stock issued for convertible debentures	$	159,775
Common stock issued to vendors	$	4,500
Common stock issued for services	$	634,625
Common stock warrants issued for services	$	75,511

See independent auditors' report
and notes to consolidated financial statements.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business Activity

On July 1, 2014 Clear TV Media USA, Inc. ("CTV Media") formerly ClearVision SPV Merger Corp. entered into a Securities Exchange Agreement (the "Exchange Agreement") with Clear TV Ltd. (the "Company" or "Clear TV"). Clear TV Ltd. was incorporated under the laws of Bermuda on January 23, 2014. Under the Exchange Agreement, holders of the CTV Media's common stock exchanged their shares in ClearVision SPV Merger Corp. for ordinary shares of Clear TV Ltd. on a one-for-one basis. In addition, holders of the Company's common stock warrants exchanged their common stock warrants in ClearVision SPV Merger Corp. for warrants to purchase the common stock of Clear TV Ltd. on a one-for-one basis. Under the Exchange Agreement, the convertible notes outstanding exchanged into convertible notes of Clear TV Ltd. which carried the same terms and conditions.

CTV Media was formed in the state of Nevada on June 22, 2013. The Company was established to build an away-from-home television network business, initially focused on airports, delivering programming and content that is entertainment centric, in short form, edited from a substantial amount of content it receives from a large number of studios, producers, broadcasters and networks. The Company has also developed, and is continuing to refine, a video web syndication platform to access thousands of publishers and advertisers, utilizing the premium content it receives from its current content producers and providers. It intends to create proprietary editorial preludes that will permit the sale of pre-roll, sponsorship, and brand advertisements in and around such content, aimed at highly targeted consumers across the entire digital landscape.

ConnectiVISION Networks, Inc. ("CV Networks") was formed in the state of Delaware on March 16, 2011. The Company was established to form an agreement with Clear Channel Outdoor Holdings Inc., and agreements with prospective content providers. In 2013, the Company acquired all the shares of CV Networks.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Clear TV, Ltd., Clear TV Media USA, Inc. and ConnectiVISION Networks, Inc. All intercompany balances and transactions have been eliminated in the consolidated financial statements.

Going Concern

The Company's consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America ("US GAAP"), on a going concern basis which contemplates the realization of assets and the liquidation of liabilities in the ordinary course of business. The Company's reported net loss and negative cash flows from operations raise substantial doubt about the Company's ability to continue as a "going concern."

The aforementioned loss and negative cash flows from operations are consistent with the Company's plan of operations, notwithstanding US GAAP conventions requiring us to evaluate the Company on a "going concern" basis. The accompanying consolidated financial statements do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that could result should the Company not continue as a going concern. During the year ended December 31, 2014, the Company funded its operations through issuance of convertible notes and sale of common stock, and it intends to raise additional capital. Although the Company has been successful in raising the necessary funds to continue operations, there is no assurance that it will be able to continue to successfully execute on its business plan. Management also intends to become profitable by continuing to seek out new customers and generate sales. If the Company is not successful in raising additional capital and becoming profitable, it may be required to delay or reduce expenses and limit or curtail its operations.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Treasury Stock

Repurchase of shares are recorded at cost. During 2014, all treasury shares were cancelled upon repurchase.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures. Management uses its historical records and knowledge of its business in making these estimates. Accordingly, actual results may differ from these estimates.

Revenue Recognition

Revenue is recognized when services are provided.

Accounts Receivable

The Company maintains an allowance for doubtful accounts for estimated losses that may arise if any of its customers are unable to make required payments. Management specifically analyzes the age of customer balances, historical bad debt experience, and changes in customer payment terms when making estimates of the collectability of the Company's trade accounts receivable balances. If the Company determines that the financial conditions of any of its customers have deteriorated, whether due to customer specific or general economic issues, an increase in the allowance may be made. Accounts receivable are written off when all collection attempts have failed.

Cash and Cash Equivalents

The Company considers cash equivalents to include cash and investments with an original maturity of three months or less.

Property and Equipment

Property and equipment are stated at cost. Depreciation is provided for using the straight-line method over the estimated useful lives of the assets, which is seven years. Expenditures for major renewals and improvements that extend the useful lives of property and equipment are capitalized. Expenditures for repairs and maintenance are charged to expense as incurred.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Impairment of Long-Lived Assets, Intangible Assets and Goodwill

In accordance with FASB ASC 360, *Property, Plant, and Equipment*, long-lived assets, including property and equipment and intangible assets with finite lives, are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. The carrying amount of a long-lived asset is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use and eventual disposition of the asset. If the carrying amount is deemed to not be recoverable, an impairment loss is recorded at the amount by which the carrying amount of the long-lived asset exceeds its fair value. No impairment of long-lived assets was recognized during the year ended December 31, 2014.

The Company tests its indefinite-lived assets for impairment, at least annually. When testing goodwill for impairment, the Company first performs a qualitative assessment to determine whether it is necessary to perform step one of a two-step annual goodwill impairment test. The Company is required to perform step one only if it concludes that it is more likely than not that a reporting unit's fair value is less than its carrying value. Should this be the case, the first step of the two-step process is to identify whether a potential impairment exists by comparing the estimated fair value of the Company's reporting unit with its book value, including goodwill. If the estimated fair value of the reporting unit exceeds book value, goodwill is considered not to be impaired, and no additional steps are necessary. If, however, the fair value of the reporting unit is less than book value, then the second step is performed to determine if goodwill is impaired and to measure the amount of impairment loss, if any. The amount of the impairment loss is the excess of the carrying amount of the goodwill over its implied fair value.

Income Taxes

The Company accounts for income taxes in accordance with guidance issued by the FASB. Income taxes are recognized for the amount of taxes payable or refundable for the current year and deferred tax liabilities and assets are recognized for the future tax consequences of transactions that have been recognized in the Company's consolidated financial statements or tax returns. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. Deferred income tax expense represents the change during the period in the deferred tax assets and deferred tax liabilities. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized.

The Company uses guidance issued by the FASB that clarifies the accounting for uncertainty in income taxes recognized in an enterprise's financial statements and prescribes a recognition threshold of more likely than not and a measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. In making this assessment, a company must determine whether it is more likely than not that a tax position will be sustained upon examination, based solely on the technical merits of the position and must assume that the tax position will be examined by taxing authorities. The Company's policy is to include interest and penalties related to unrecognized tax benefits in income tax expense. Interest and penalties totaled $0 for the year ended December 31, 2014. The Company files income tax returns with the Internal Revenue Service ("IRS") and various state jurisdictions. The Company's net operating loss carryforwards are subject to IRS examination until they are fully utilized and such tax years are closed. The Company is subject to income tax examinations by the IRS and state tax authorities for all filings since formation.

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value of Financial Instruments

Carrying amounts reported in the consolidated balance sheet of accounts receivable, and accounts payable and accrued expenses, and other accrued liabilities approximate fair value due to the relatively short maturity. The fair value of borrowings is not considered to be significantly different than its carrying amount because the stated rates for such debt reflect current market rates and conditions.

2. INCOME TAXES

At December 31, 2014, the Company had an undetermined amount of federal and state net operating loss carryforwards that expire through 2034. The net operating loss carryforwards result in a deferred tax asset; however, realization of the deferred tax asset is dependent on the Company generating sufficient taxable income prior to expiration of the loss carryforwards. During 2014, a valuation allowance was recorded against the entire deferred tax asset, which reduces the carrying amount of the deferred tax asset to $0.

3. DEBT

Convertible Notes Payable

During November and December 2013, the Company entered into convertible note agreements. At the option of the lender, the notes are convertible into the Company's common stock at prices ranging from $1.25 through $1.50 per share. Certain of the notes convert automatically if the Company's public shares are greater than $2.00 per share for ten consecutive trading days. The notes bear interest at 12% per annum and matured through May 20, 2014. The principal and interest are due upon maturity. During the year ended December 31, 2014, $292,500 of the notes outstanding were converted into common stock. At December 31, 2014, the balance on the notes was $100,000.

During January through April 2014, the Company entered into thirteen convertible note agreements totaling $744,500. At the option of the lender, the notes are convertible into the Company's common stock at $1.25 through $1.50 per share. The notes convert automatically if the Company's public shares are greater than $2.00 per share for ten consecutive trading days. The notes bear interest at 12% per annum and matured through August 31, 2014. The principal and interest are due upon maturity. During the year ended December 31, 2014, the full balance of these notes were converted into common stock.

Notes Payable

On December 18, 2014, the Company entered into a note agreement totaling $95,000. In conjunction with the note, the Company is to pay a fixed fee comprising of warrants to purchase 35,000 of the Company's common stock. The common stock warrants are exercisable at $1.65 per share and mature on January 18, 2016. The note matured on February 28, 2015. At December 31, 2014, the principal balance outstanding on the note was $95,000.

On December 19, 2014, the Company entered into a note agreement totaling $95,000. In conjunction with the note, the Company is to pay a fixed fee comprising of warrants to purchase 35,000 of the Company's common stock and $25,000. The common stock warrants are exercisable at $1.65 per share and mature on January 18, 2016. The note matured on January 19, 2015. At December 31, 2014, the principal balance outstanding on the note was $95,000.

4. COMMON STOCK WARRANTS

Common stock warrant activity for the year ended December 31, 2014 was as follows:

	Shares	Weighted-Average Exercise Price
Balance, December 31, 2013	95,166	$ 3.00
Granted	1,560,839	2.39
Balance, December 31, 2014	1,656,005	$ 2.43

Common stock warrants outstanding at December 31, 2014 are summarized as follows:

	Shares	Weighted-Average Exercise Price
Warrants issued in conjunction with equity offering	1,219,337	$ 2.70
Warrants issued for services	366,668	1.65
Warrants issued in conjunction with debt	70,000	1.65
	1,656,005	$ 2.43

The warrants expire through July 1, 2016 and have an average remaining term of 1.35 years.

5. RELATED PARTY TRANSACTIONS

Convertible Debentures in ConnectiVISION, LLC

During 2014, the Company purchased convertible debentures ("Convertible Debentures") in ConnectiVISION, LLC ("ConnectiVISION"), an entity minority owned by some of the same shareholders of the Company, with a face value totaling $207,200 from investors for 106,517 shares of the Company's common stock.

The investment represents a less than five percent ownership in ConnectiVISION on an as-converted basis. The Company recorded the Convertible debentures as an investment in ConnectiVISION under the cost method for $159,775 and subsequently recognized an impairment for the full balance of this investment during the year ended December 31, 2014.

Operating Services – ConnectiVISION, LLC

ConnectiVISION, LLC provided operating services to the Company while the Company was in a transition period after the purchase of certain business assets in 2013. During the year ended December 31, 2014, operating services paid to ConnectiVISION amounted to $2,760,450.

Accounts Payable – Officer

During the year ended December 31, 2014, the Company paid down the balance payable to the Company's Chief Executive Officer by $3,900.

5. RELATED PARTY TRANSACTIONS (Continued)

Advances from Related Party

During 2014, the Company received advances totaling $134,000 from an entity owned by an officer of the Company. The balance on the advances amounted to $30,929 at December 31, 2014.

Lease Agreement

The Company leases office space from an entity owned by an officer of the Company. See note 6.

Common Stock Issued

During 2014, one of the founders of the Company facilitated the sale of shares by the Company by transferring its own shares to new investors, upon receipts of the proceeds by the Company from the investors. The Company has reissued new shares to the founder for these transfers.

6. COMMITMENTS AND CONTINGENCIES

Leases

The Company leases ones of its operating facility under a lease with an entity owned by the Company's Chief Executive Officer. Under the terms of the lease, which matures October 31, 2016, rent is $7,950 per month, and the Company must pay all expenses related to the operations of the leased facility. The rent is adjusted on October 1, 2015 to $8,450. Rent expense with respect to this lease amounted to $23,850 for the year ended December 31, 2014.

The Company also leases another facility which the lease expires in May 2016.

On December 30, 2014, the Company entered into an equipment operating lease agreement that expires December 30, 2017. Lease expense for equipment amounted to $0 for the year ended December 31, 2014.

Future minimum rental payments under the facility and equipment leases with an initial term of one year or more at December 31, 2014 are as follows:

Years Ending December 31,	Related Party	Unrelated Parties	Total
2015	$ 79,500	$ 361,274	$ 440,774
2016	83,500	184,154	267,654
2017	-	95,594	95,594
Total	$ 163,000	$ 641,022	$ 804,022

Employment Agreement

The Company's employment agreement with the Chief Executive Officer includes a provision which requires the Company to indemnify the officer for any claims, expenses, or losses the officer may incur during the course of its services for the Company or its predecessor. As of December 31, 2014, the Company has accrued $400,000 for this indemnification.

6. COMMITMENTS AND CONTINGENCIES (Continued)

Clear Channel Operations and Production Agreement

During July 2014, CV Networks entered into an Operations and Production Agreement with Clear Channel. The Agreement carrying a 10-year term provides CV Networks access to a portfolio of airports with which Clear Channel already holds an advertising concession contract. Under the Agreement, CV Networks is able to install its television network in those airports, and is responsible to fund the capital investments (purchasing and installing television screens, media players, wall mounts, etc.) and the parties share the revenue generated from advertising sales on the network once installed. CV Networks will earn 45%-70% of the revenue remaining after paying the airport 15% from gross revenue in lieu of rent. The remaining 30%-55% is paid to Clear Channel, which is charged with conducting advertising sales.

Legal Matters

From time to time, the Company may be involved in legal proceedings in the normal course of its business. The Company is not involved in any legal proceedings at the present time.

Royalty Agreement

Under the 2013 Asset Purchase Agreement with ConnectiVISION, LLC, the Company is to pay a 20% royalty on revenues derived from the television screens purchased. Royalties were insignificant for the year ended December 31, 2014.

Bermuda Stock Exchange

The Company is subject to certain requirements under the Bermuda Stock Exchange. During the year ended December 31, 2014, the Company was required to comply with certain requirements related to the repurchase of its common stock. The Company is in the process of filing certain notices and believes it will be considered compliant with the requirements of the Bermuda Stock Exchange. The Company may be subject to certain penalties or actions should the regulatory agencies believe the Company was not compliant. The effects of such potential actions on the Company's financial statements have not been determined.

7. CONCENTRATION OF CREDIT RISK

Cash Concentration

The Company maintains its cash and cash equivalent balances with financial institutions. These accounts are typically insured through the Federal Deposit Insurance Corporation ("FDIC"). At times, such amounts may exceed Federally insured limits. The Company does not have uninsured balances at December 31, 2014.

Major Customer

One customer accounted for 100% of the Company's revenues during the year ended December 31, 2014. The same customer accounted for 100% of accounts receivable at December 31, 2014.

8. SUBSEQUENT EVENTS

Note Payable

On April 1, 2015, the Company entered into a note agreement totaling $800,000. The note bears interest at 10% per annum and matures on July 31, 2016. Beginning December 1, 2015, The Company must pay the lender a monthly payment equal to 25% of the Company's monthly free cash flow (which is defined as gross revenues receipts, minus operating costs, minus capital expenditures, measured on a monthly basis). As of July 31, 2015, $756,000 of loan proceeds have been received.

Convertible Bonds Payable

During June and July 2015, the Company issued convertible bonds for total proceeds of $163,829.

Sale of Common Stock and Warrants

During the period January 1, 2015 to July 31, 2015, the Company sold 2,370,552 shares of common stock for $1.5 million.

The Company has evaluated subsequent events through July 31, 2015, which is the date the consolidated financial statements were available to be issued. With the exception of the above, the Company did not identify any material subsequent events requiring disclosures or adjustments to the accompanying consolidated financial statements.