

***EPIC CORPORATION AND SUBSIDIARIES***

***CONSOLIDATED FINANCIAL STATEMENTS***

**For Years Ending**

**September 30, 2018 AND 2017**  
***(Unaudited)***

See Accompanying Notes:

**EPIC CORPORATION**  
**CONSOLIDATED BALANCE SHEETS**  
As Of  
September 30, 2018 and 2017  
Unaudited

<b>ASSETS</b>		
	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>CURRENT ASSETS</b>		
Cash	\$ 50,512	\$ 6,968
Inventory	<u>-</u>	<u>-</u>
<b>Total Current Assets</b>	<b>50,512</b>	<b>6,968</b>
<b>OTHER ASSETS</b>		
Securities-For-Sale	1,090,000	2,090,000
License	1,950,000	1,950,000
Contracts Receivable	<u>-</u>	<u>-</u>
<b>Total Other Assets</b>	<b><u>3,040,000</u></b>	<b><u>4,040,000</u></b>
<b>TOTAL ASSETS</b>	<b><u>\$ 3,090,512</u></b>	<b><u>\$ 4,046,968</u></b>
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
	<b><u>2018</u></b>	<b><u>2017</u></b>
<b>CURRENT LIABILITIES</b>		
Credit Cards	\$ -	1,033
Loans Payable	<u>242,984</u>	<u>240,316</u>
<b>Total Current Liabilities</b>	<b>242,984</b>	<b>241,349</b>
<b>LONG TERM LIABILITIES</b>		
Loans Payable – Convertible Notes (Note 6)	<u>-</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<b>242,984</b>	<b>241,349</b>
<b>SHAREHOLDERS EQUITY</b>		
Preferred Stock, \$.10 stated value 10,000,000 shares authorized 2,227,747 shares issued and outstanding September 30, 2018 and 2-17	227,747	227,747
Common Stock, \$.01 stated value, 150,000,000 shares Authorized, 20,015,518 and 16,015,518 shares issued outstanding as of September 30, 2018 and 2017	200,155	160,155
Additional Paid In Capital	8,111,102	8,107,546
Unrecognized Appreciation	-	1,000,000
Accumulated Deficit	<u>(5,691,477)</u>	<u>(5,689,828)</u>
<b>TOTAL SHAREHOLDERS EQUITY</b>	<b><u>2,847,527</u></b>	<b><u>3,805,619</u></b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS EQUITY</b>	<b><u>\$ 3,090,512</u></b>	<b><u>\$ 4,046,968</u></b>

## EPIC CORPORATION

### CONSOLIDATED STATEMENTS OF OPERATIONS

For Years Ending  
September 30, 2018 and 2017  
Unaudited

	<u>2018</u>	<u>2017</u>
REVENUES		
Product Sales	\$ -	\$ -
Royalty	-	661
Other	-	-
Total Revenue	<u>-</u>	<u>661</u>
COST OF GOODS SOLD		
Cost of Products	-	-
Freight Out	-	-
Total Cost of Goods Sold	<u>-</u>	<u>-</u>
GROSS PROFIT	-	661
EXPENSES		
Advertising	-	2,235
Automobile	-	1,517
Consulting Services	-	2,000
Insurance	-	-
Miscellaneous	-	13,134
Outside Services	2,856	9,840
Travel and Entertainment	-	2,494
Total Expenses	<u>2,856</u>	<u>31,219</u>
TOTAL OPERATING PROFIT (LOSS)	(2,856)	(30,558)
OTHER INCOME/(EXPENSES)		
Other Income (loss)	-	-
Interest Expense - Loan	-	-
Interest Expense - Convertible Note	-	-
Total Other Income/Expenses	<u>-</u>	<u>-</u>
NET PROFIT/LOSS	<u>\$ (2,856)</u>	<u>\$ (30,558)</u>

See Accompanying Notes  
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**EPIC CORPORATION**  
**Statement of Stockholders Equity**  
From September 30, 2015 to September 30, 2018  
Unaudited

	Date	Number of Shares	Number of Series A 5% Preferred Shares	Consideration	Preferred Stock	Common Stock	Paid-in Capital	Unrealized Gain	Retained Earnings	Total
Balance 9/30/2015		7,236,812	2,277,466		227,747	72,369	8,561,783	1,000,000	(5,833,797)	4,028,102
Share Issuance - Note 4	12/31/2015	284,702	-	Stock Dividend	-	2,847	(2,847)	-	-	-
Share Issuance - Note 4	3/31/2016	523,835	-	Stock Dividend	-	5,238	(5,238)	-	-	-
Share Issuance - Note 4	6/30/2016	535,237	-	Stock Dividend	-	5,352	(5,352)	-	-	-
Share Issuance - Note 4	9/30/2016	551,660	-	Stock Dividend	-	5,517	(5,517)	-	-	-
Adjustment for Subsidiary		-	-		-	-	(19,476)	-	101,064	81,588
Net Gain for 9/30/2016		-	-		-	-	-	-	73,463	73,463
Balance 9/30/2016		9,132,246	2,277,466		227,747	91,323	8,523,353	1,000,000	(5,659,270)	4,183,153
Share Issuance - Note 4	12/31/2017	284,699	-	Stock Dividend	-	2,847	(2,847)	-	-	-
Share Issuance - Note 4	2/13/2017	6,000,000	-	Share Exchange	-	60,000	700,000	-	-	760,000
Share Issuance - Note 4	3/31/2017	398,573	-	Stock Dividend	-	3,986	(3,986)	-	-	-
Share Issuance - Note 4	3/16/2017	200,000	-	Non Cash	-	2,000	-	-	-	2,000
Adjustment for Subsidiary		-	-		-	-	(1,108,974)	-	-	(1,108,974)
Net Loss for 9/30/2017		-	-		-	-	-	-	(30,558)	(30,558)
Balance 9/30/2017		16,015,518	2,277,466		227,747	160,156	8,107,546	1,000,000	(5,689,828)	3,805,621
Share Issuance - Note 4	9/28/2018	4,000,000	-	Cash	-	40,000	10,000	-	-	50,000
Adjustment for Subsidiary		-	-		-	-	(6,444)	(1,000,000)	1,207	(1,005,237)
Net Loss for 9/30/2018		-	-		-	-	-	-	(2,856)	(2,856)
Balance 9/30/2018		20,015,518	2,277,466		\$ 227,747	\$ 200,156	\$ 8,111,102	-	\$ (5,691,477)	\$ 2,847,528

**EPIC CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
For Years Ending September 30, 2018 and 2017  
Unaudited

	<u>2018</u>	<u>2017</u>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Income (Loss)	\$ (2,856)	\$ (30,558)
Adjustments to reconcile net loss to net cash provided used in operations: (Increase) decrease		
Other Income:	-	41,440
Non - Cash Operating (Net Income) Expense	(4,728)	(15,695)
Inventory	-	(6,333)
Prepaid Expense	-	-
Increase (decrease) in liabilities:		
Credit Cards	-	(10,277)
Accounts Payable	(1,729)	
Accrued Interest	-	-
Loans Payable	2,856	27,204
Net cash provided (used) by operating activities	(6,457)	5,781
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Investments	-	-
Note Receivable	-	-
License	-	-
Net cash provided by investing Activities	-	-
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Unrealized Appreciation	-	-
Preferred Stock	-	-
Common Stock	40,000	-
Paid Surplus	10,000	-
Retained Earnings	-	-
Net cash provided by Financing Activities	50,000.00	-
<b>NET INCREASE (DECREASE) IN CASH</b>	43,543	5,781
CASH, beginning of year	6,969	1,187
CASH, end of Period	\$ 50,512	6,968

**EPIC CORPORATION**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**Dated September 30, 2018**  
**Unaudited**

**ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Organization

EPIC Corporation (“EPIC” or “Company”), The Dividend Company, is a special purpose vehicle. EPIC provides turn-key solutions to qualified companies to enable them to raise capital and to provide investors an exit strategy through the *EPIC Process*.

Mission Statement

EPIC’s mission is to provide its investors with short and long term high yield investments.

History

EPIC was founded in October 1997, in the state of Colorado. In 1998, EPIC qualified an Offering Circular under Regulation A, an exemption under Section 3(b) of the Securities Act of 1933 (“Act”). In September 1999, EPIC became a full reporting company under the Securities Exchange Act of 1934 and started trading on the Bulletin Board. In December 2001, EPIC voluntarily withdrew its registration under the Exchange Act, and commenced trading on OTC Markets as a private non-reporting company.

Consolidation Policy

The consolidated financial statements include the accounts of the Company and subsidiaries. All inter-company transactions and balances have been eliminated. The Company’s equity ownership interests of 20% to 50% in affiliates in which it can exercise significant influence over operating and financial policies are accounted for using the equity method. Accordingly, the Company’s share of the earnings of these companies is included in consolidated net income. Equity interests in other companies are carried at cost and/or unrecognized appreciation from one-time license fees unless they are held for trading, then they are considered investments and reflected at market price.

Product Development Costs

Product development costs are expensed as incurred. Before commencing operations EPIC incurred research and development costs which were charged to operations when incurred. There have been no research and development costs since September 30, 2014.

Cash and Cash Equivalents

For the purposes of financial statement reporting, EPIC considers all liquid investments with maturity of 3 months or less to be cash equivalents.

Concentration of Credit Risk

EPIC maintains its operating cash accounts at commercial banks in California. The accounts at the banks are guaranteed by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per bank. At times some accounts may exceed FDIC limits. EPIC limits the amount of credit exposure with any one financial institution and believes that no significant concentration of credit risks exists concerning cash and cash equivalents.

Property and Equipment, Depreciation and Amortization

Property, tangible and intangible, and equipment obtained in exchange for stock are carried at the fair market value of the equipment on the date of exchange. Property and equipment purchased are carried at cost as of the date of purchase. Depreciation and amortization are computed using the straight-line method over the assets’ expected useful lives. The useful lives of equipment and software for purposes of computing depreciation are:

Machinery & Equipment	3 years
Software	3 years

Repairs and maintenance are charged to operations when incurred. Costs of betterments, which materially extend the useful lives of the assets, are capitalized. Gains and losses from sales or disposition of assets are included in the statement of operation.

#### Use of Estimates

The preparation of our financial statements are in conformity with generally accepted accounting principles which require management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

#### Fair Value of Financial Instruments

For the Company's financial instruments, the carrying value is considered to approximate the fair value. Cash, prepaid expenses, and accounts payable are settled so close to the balance sheet date that fair value does not differ significantly from the stated amounts.

#### Income Taxes

Income taxes are recognized during the year in which transactions are entered into. The determination of consolidated financial statement income for financial reporting purposes, with deferred taxes being provided for temporary differences between amounts of assets and liabilities, are measured by tax laws.

The consolidated financial statements of the Company include a benefit for income taxes based on the results of the Company's operations. For consolidated financial reporting purposes, the provision for income taxes using the consolidated results of operations was offset through the utilization of the parent company's net operating loss carryover.

#### Adjustments

In the opinion of management the data reflects all adjustments necessary for a fair consolidated statement of results for this period. All adjustments are of a normal and recurring nature.

#### Advertising

Advertising costs, except for costs associated with direct-response advertising, are charged to operations when incurred. The costs of direct-response advertising, if any, are capitalized and amortized over the period during which future benefits are expected to be received.

#### **NOTE 1: AMCOR FINANCIAL CORP.**

Amcor Financial Corp. (Amcor), a specialty finance company, provided merchant banking services, real estate financing, and financing of emerging growth companies. A major shareholder of the Company is also a major shareholder of Amcor. During the year ended September 30, 2004, due to excessive litigation by the former parent company of Amcor Financial and purchasers of homes from the parent company, Amcor was forced to cease business operations, and in January 2005, it filed bankruptcy under Chapter 7. EPIC wrote down its investment in Amcor Financial to \$286,778, which EPIC believed to be the residual value. In September 2009, EPIC transferred our investment in Amcor and Tensleep Financial Corporation to RX Healthcare Systems, Ltd., in exchange for RX Healthcare common stock. EPIC was informed by the Amcor Trustee that RX Healthcare would receive no distribution of funds and the bankruptcy when it would close in 2015. RX Healthcare as of September 30, 2014, wrote off its investment in Amcor, and EPIC agreed that due to the loss of the Amcor investment and the loss in value of the shares of Tensleep Financial Corporation acquired from the Company, EPIC would return 15,500,000 shares of RX Healthcare's common stock for cancellation.

#### **NOTE 2: MAJORITY OWNED SUBSIDIARIES**

##### **TENSLEEP FINANCIAL CORPORATION**

The Company incorporated Tensleep Financial Corporation (“Financial”) on February 14, 2001, as a wholly owned subsidiary and was to provide funding for residential and commercial loans. The Company made an initial investment of \$50,000 and was issued 5,000,000 shares of its common stock. The \$50,000 was invested to acquire a mortgage banking company, which was later closed down. Financial's business plan was modified to provide financial, business and corporate development services.

For business reasons, on May 2006, EPIC declared a stock dividend and distributed approximately 4,561,986 shares Financial's common stock to our stockholders, retaining 438,014 shares. The shares of Financial are not publicly traded.

In September 2007, EPIC contributed the obligation of RX Healthcare Systems, Inc., in the amount of \$130,000 to Tensleep Financial.

In September 2009, EPIC contributed its investment of \$200,000 in Tensleep Financial and a \$134,550 promissory note of Meadows at Quail Run to RX Healthcare. RX Healthcare then simultaneously contributed the \$134,550 promissory note to Tensleep Financial, giving it an investment of \$334,550 in Tensleep Financial.

On September 30, 2014, RX Healthcare believed Tensleep Financial to be of little or no value and returned the 438,014 shares of Tensleep Financial to the Company, and RX Healthcare wrote-off the Meadows at Quail Run promissory note of \$134,550. In return the Company returned 15,500,000 shares of RX Healthcare's common stock to RX Healthcare.

In November 2010, Tensleep Financial issued EPIC Corporation 10,000,000 shares of Tensleep Financial's common stock pursuant to an assignment by R Tucker & Associates contained in an agreement dated October 5, 2010 (“RT Agreement”). As of September 30, 2010, Tensleep Financial owed R Tucker & Associates a Consulting Fee of \$30,000 and accrued interest of \$100,000 on a 10% Convertible Promissory note with a principal balance of \$400,000. The interest of \$100,000 was accrued over 2 and 1/2 years. Pursuant to the RT Agreement, R Tucker & Associates agreed to accept and Tensleep Financial agree to issue R Tucker & Associates 10,000,000 shares of its common stock in cancellation of the accrued interest and consulting fee. In the RT Agreement, R Tucker & Associates assigned the 10,000,000 shares of Tensleep Financial to EPIC Corporation in consideration of EPIC's agreement to add \$100,000 to its Note (“EPIC Agreement”). The shares were issued pursuant to Section 4(2) of the Act.

On October 1, 2016, EPIC and the Tensleep Financial entered into a Consulting Agreement for EPIC to provide the EPIC Process for a period of two years ending September 30, 2018. The compensation for the agreement is \$250,000 payable in cash at the end of the first year of the agreement or the qualification date of the Regulation A Offering Statement, whichever was the first to occur. On November 30, 2016, Tensleep Financial filed a Form 1-A pursuant to Regulation A of the Act and on February 10, 2017, the Regulation A filing became effective.

On February 13, 2017, EPIC acquired 2,000,000 investment units from Tensleep Financial which were qualified under the Regulation A for issuance of 4,000,000 shares of EPIC's restricted common stock valued at \$500,000. The qualified investment units consisted of 2,000,000 registered shares of Tensleep Financial common stock, and 2,000,000 registered warrants to purchase 2,000,000 registered shares for each of the Series A, B, C, and D Warrants at a strike price of \$0.20, \$0.25, \$0.30, and \$0.40 per share.

#### **RX HEALTHCARE SYSTEMS, LTD.**

RX Healthcare Systems, Ltd. was incorporated on March 29, 2006, as a wholly owned subsidiary of R Tucker & Associates, Inc. RX Healthcare was to develop, to market, and to distribute electronic products, primarily in the healthcare field. In January 2007, EPIC granted RX Healthcare a technology license in exchange for a one-time license fee of \$130,000 to be paid in the future. EPIC later transferred the RX Healthcare obligation to Tensleep Financial as describe above. Then in September 2007, EPIC entered into a consulting agreement and received 1,000,000 restricted shares of RX Healthcare, valued at \$24,000 as a consulting fee and represented a 1/3 ownership interest.

RX Healthcare, on August 3, 2007, qualified a Regulation A with the SEC under Section 3(b) of the Securities Act of 1933, as amended.

In September 2009, EPIC contributed its investment of \$200,000 in Tensleep Financial and a \$134,550 promissory note of Meadows at Quail Run to RX Healthcare. In exchange, EPIC received 3,100,000 restricted shares of RX Healthcare's common stock. RX Healthcare then simultaneously contributed the \$134,550 promissory note to Tensleep Financial, thereby increasing its investment in that company. At this time, RX Healthcare redeemed the 1,000,000 shares of its



common stock owned by R Tucker & Associates, Inc., in exchange for a five-year convertible promissory note in the amount of \$200,000 convertible at \$0.05 per share. As a result of the redemption, EPIC now owns more than 80% of RX Healthcare's common stock.

RX Healthcare, since September 2010, to the present has been in the stage of developing the distribution of a proprietary and unique spacer fabric ("AcuFAB") that can be used to produce several consumer healthcare and medical products.

In October 2010, RX Healthcare, effected a stock dividend of 4 shares for each one share issued and outstanding.

In September 2013, RX Healthcare obtained an exclusive license to manufacture, to distribute, and to sell AcuFAB products in North America to consumer and consumer healthcare market segments, for which the Company received an assignment of the \$1,000,000 license fee due from RX Healthcare, and the right to receive one-half of any sublicense fees and a royalty of 10% on the sale of AcuFAB products.

RX Healthcare, as of September 30, 2014, wrote-off its investment in Amcor, determined that the shares of Tensleep Financial Corporation were of little or no value, and wrote-off the promissory note of Meadows at Quail Run. EPIC, having contributed these assets to RX Healthcare, agreed to return 15,500,000 shares of RX Healthcare's common stock for cancellation. After the return of the stock for cancellation, EPIC still owns 15,000,000 shares of common stock, which was two-thirds of RX Healthcare's common stock issued and outstanding.

In September 2014, RX Healthcare filed an Offering Statement under Regulation A of the Securities Act of 1933, as amended, with the SEC. The Offering Statement became qualified on January 28, 2015. The Offering Statement became qualified.

RX Healthcare, on February 28, 2015, granted an exclusive license to EPIC Medicor Corporation to sell the *AcuFAB*® insoles ("Insole License"). This license provides for a one-time license fee of \$500,000 which was payable in cash or in EPIC Medicor common stock.

RX Healthcare, on February 28, 2015, acquired the exclusive license to sell and distribute the *AcuFAB*® products to the healthcare and medical market segments in North America ("Healthcare Market") from EPIC Medicor Corporation. In exchange for this exclusive license the Company assumed the payment of a one-time license fee in the amount of \$1,000,000 and issued the assigning party 800 Investment Units pursuant to the qualified Regulation A Offering which consisted of 80,000 shares of common stock and 80,000 warrants each of the Series A, B, C and D Warrants. The terms of the Healthcare Market are essentially the same as those indicated in the Consumer Market License.

RX Healthcare, on September 10, 2015, issued 3,160,000 shares of its restricted common stock in partial settlement of a \$790,000 portion of the \$1,000,000 assumed obligation to EPIC for the Healthcare Market License. The shares were issued pursuant to Section 4(a)(2) of the Act.

RX Healthcare, on September 10, 2015, regarding the remaining payment of \$210,000 of the \$1,000,000 assumed obligation to EPIC for the Healthcare Market License, issued 8,400 investment units from its Reg. A offering to EPIC Corporation. Each investment unit consisted of 100 registered shares of RX Healthcare common stock and 100 registered warrants each of Series A, B, C, and D Warrants to purchase one registered share per warrant at a strike price of \$0.075, \$0.10, \$0.15, and \$0.20 per share, respectively.

## **EPIC MEDICOR CORPORATION**

EPIC Medicor Corporation was incorporated in December 25, 2010, by R Tucker & Associates, Inc., as Somnus Corporation. The Company had several name changes, and on January 22, 2012 received its present name.

EPIC Health PLC, an Isle of Man corporation, entered into a "Sub-License" agreement dated July 22, 2013, with RX Healthcare Systems, Ltd., granting RX Healthcare an exclusive right to distribute the *AcuFAB*® products in North America. In March 2014, EPIC Health PLC elected to dissolve and as part of the liquidation of each company and the successor to the Master License split the Sub-License in to two separate sub-license agreements. EPIC Medicor Corporation was granted as sub-license to distribute the *AcuFAB*® products in the medical market segments in North America. The license agreement was back-dated to September 22, 2013, and contained a one-time license fee of \$1,000,000 which was to be paid to EPIC Corporation.

RX Healthcare, on February 28, 2015, acquired the exclusive license to sell and distribute the *AcuFAB*® products to the healthcare and medical market segments in North America (“Healthcare Market”) from EPIC Medicor Corporation. In exchange for this exclusive license, the Company assumed the payment of a one-time license fee in the amount of \$1,000,000 and issued EPIC Medicor 800 Investment Units pursuant to the qualified Regulation A Offering which consisted of 80,000 shares of common stock and 80,000 warrants each of the Series A, B, C and D Warrants. The terms of the Healthcare Market are essentially the same as those indicated in the Consumer Market License.

RX Healthcare, on February 28, 2015, granted an exclusive license EPIC Medicor to sell the *AcuFAB*® insoles (“Insole License”). This license provides for a one-time license fee of \$500,000 which was payable in cash or in registered common stock of the licensor.

EPIC Medicor, on July 20, 2016, filed an Offering Statement under Regulation A of the Securities Act of 1933, as amended, with the SEC, and on August 8, 2016, the Offering Statement became qualified.

EPIC Medicor, on August 18, 2016, in cancellation of the one-time license fee of \$500,000, issued 25,000 investment units from its Reg. A offering to RX Healthcare. Each investment unit consisted of 100 registered shares of EPIC Medicor Corporation common stock and 100 registered warrants each of Series A, B, C, and D Warrants to purchase one registered share per warrant at a strike price of \$0.075, \$0.10, \$0.15, and \$0.20 per share, respectively.

EPIC Medicor, on August 18, 2016, in payment of consulting services in the amount of \$120,000, issued 6,000 investment units from its Reg. A offering to EPIC Corporation. Each investment unit consisted of 100 registered shares of EPIC Medicor Corporation common stock and 100 registered warrants each of Series A, B, C, and D Warrants to purchase one registered share per warrant at a strike price of \$0.075, \$0.10, \$0.15, and \$0.20 per share, respectively.

EPIC Medicor, on October 11, 2016, in payment of consulting services in the amount of \$120,000, issued 6,000 investment units from its Reg. A offering to Tensleep Financial Corporation. Each investment unit consisted of 100 registered shares of EPIC Medicor Corporation common stock and 100 registered warrants each of Series A, B, C, and D Warrants to purchase one registered share per warrant at a strike price of \$0.075, \$0.10, \$0.15, and \$0.20 per share, respectively.

On February 13, 2017, EPIC issued EPIC Medicor Corporation 2,000,000 of its restricted common stock for 13,000 investment units valued at \$260,000. Each investment unit consisted of 100 registered shares of EPIC Medicor Corporation common stock and 100 registered warrants each of Series A, B, C, and D Warrants to purchase one registered share per warrant at a strike price of \$0.075, \$0.10, \$0.15, and \$0.20 per share, respectively.

### **NOTE 3: INCOME TAXES**

The Company has not generated any taxable income and therefore a provision for income taxes is not necessary. Similarly, a provision for deferred taxes is not necessary. For income tax purposes, the Company had available, at September 30, 2018, and 2017, net operating loss (“NOL”) carry forwards of approximately \$5,691,477 and \$5,789,828 respectively, some of which will expire in various years from 2018 through 2026.

### **NOTE 4: CAPITAL TRANSACTIONS**

In October 2010, the Company issued R Tucker & Associates, Inc. (“R Tucker”), 5 million shares in lieu of a cash payment of accrued interest in the amount of \$50,000 on the convertible promissory note executed in January 2008. The shares were issued pursuant to Section 4(2) of the Act and since R Tucker is an affiliate of the Company a legend was placed on the certificate

In August 2011, the Company issued R Tucker & Associates, Inc. 4.2 million shares and 800,000 shares to 6 non-affiliates in lieu of a cash payment of accrued interest in the amount of \$50,000 on the convertible promissory note executed in January 2008. The shares issued were issued pursuant to Section 4(2) of the Act and since R Tucker is an affiliate of the Company a legend was placed on the certificates, but the shares issued to the non-affiliates were issued free and clear of any restrictions or legends.

In June 2012, the Company issued 12,797,363 shares of its common stock to its shareholders of common stock as a 100% stock dividend in a non-cash transaction.

In September 2012, the Company issued 100,000 shares of its common stock to Fred Ballou in exchange for communication

services. The shares were issued pursuant to Section 4(2) of the Act and a legend was placed on the certificate.

In May 2013, the Company acquired a 50% interest in Laguna Beach Capital Group, Inc. ("LBCG"), by exchanging 2,000,000 shares of its common stock for 7,500,000 shares of LBCG common stock and a promissory note in the face amount of \$100,000. LBCG was a development stage company that was to provide financing to purchase used cars. The shares issued were issued pursuant to Section 4(2) of the Act and since both parties are affiliates of the Company a legend was placed on the certificate.

In June 2013, the Company filed a Designation, Preferences and relative Rights for 8,000,000 shares of a face value of \$1 Series A 5% Convertible Preferred Stock with the Colorado Secretary of State, and issued 4,900,000 shares of the Series A 5% Convertible preferred stock in exchange for the cancellation of 14,801,454 shares of the Company's common stock valued at \$490,000 pursuant to Section 3(a)(9) of Act, an exempt security, free of any restrictions or legends imposed by Rule 144.

In December 2013, the Company issued 250,000 shares of its common stock to Integrative Business Alliance, LLC, for consulting services. The shares issued were issued pursuant to Section 4(2) of the Act and legends were placed on the certificate.

In January and February 2014, the Company issued 1,366,650 shares of its common stock to several parties in consideration for providing IR, PR and business development services for the Company.

In March 2014, the Company issued 8,225,286 shares of its common stock to Ronald S. and Leticia I. Tucker in consideration for the conversion of \$246,758 of Loans Payable and accrued and unpaid interest on the Loans. The shares issued were issued pursuant to Section 4(2) of the Act and since both parties are affiliates of the Company legends were placed on the certificates.

In April 2014, the Company issued 416,650 shares of its common stock to several parties in consideration of providing IR, PR and business development services. The shares issued were issued pursuant to Section 4(2) of the Act and legends were placed on the certificates.

In June 2014, the Company converted 500,000 shares common stock in cancellation of \$20,000 of accrued but unpaid interest on a convertible promissory note dated January 30, 2008. The shares were issued to a non-affiliate who had not been an affiliate for more than 90 days prior to the conversion, and the rights to the accrued interest was purchased under Section 4(1) of the Act from a non-affiliate which held the promissory note on which the interest was accrued for more than one year. The shares were issued with no restrictions or legend conditions.

In July 2014, the Company issued 166,650 shares of its common stock to Gregg Stachacz in consideration for providing IR and PR services. The shares issued were issued pursuant to Section 4(2) of the Act and legends were placed on the certificates.

In August 2014, the Company converted 500,000 shares common stock in cancellation of \$20,000 of accrued but unpaid interest on a convertible promissory note dated January 30, 2008. The shares were issued to a non-affiliate who had not been an affiliate for more than 90 days prior to the conversion, and the rights to the accrued interest was purchased under Section 4(1) of the Act from a non-affiliate which held the promissory note on which the interest was accrued for more than one year. The shares were issued with no restrictions or legend conditions.

In August 2014, the Company exchanged 2,773,353 shares of its common stock for 1,915,576 shares of its Series A 5% Convertible Preferred Stock pursuant to Section 3(a)(9) of the Securities Act of 1933.

In September 2014, the Company issued 3,772,458 shares of its common stock to its Series A 5% Convertible Preferred Shareholders as a stock dividend in a non-cash transaction.

In October 2014, the Company issued 300,000 shares to GSM Funding which was conditioned on it acquiring and providing EPIC with a Bridge Loan of \$300,000. The Bridge Loan was never provided, but GSM Funding has failed to return the shares.

In December 2014, the Company issued 851,961 shares of its common stock to its Series A 5% Convertible Preferred Shareholders as a stock dividend in a non-cash transaction.

On December 31, 2014, holders of 4,900,000 shares of the Company's Series A 5% Convertible Preferred Stock converted their preferred stock into 18,151,700 shares of the Company's common stock pursuant to the provisions of the Articles establishing the Preferred Stock.

On December 31, 2014, the holders of Convertible Promissory Notes and the accrued but unpaid interest on the Convertible Promissory Notes exercised their conversion rights under the Convertible Promissory Notes in the amount of \$600,000 and accrued interest of \$250,000 for 26,525,000 shares of the Company's Common Stock.

On December 31, 2014, the Company and the holders of Notes Payable in the amount of \$35,282 agree to exchange the loans payable for 685,282 shares of the Company's common stock.

On March 31, 2015, the Company issued 636,744 shares of its common stock to its Series A 5% Convertible Preferred Shareholders as a stock dividend in a non-cash transaction.

On June 30, 2015, the Company issued 459,856 shares of its common stock to its Series A 5% Convertible Preferred Shareholders as a stock dividend in a non-cash transaction.

On July 15, 2015, the Company effected an exchange offer of 904,722 shares of its common stock for 361,890 shares of its Series A 5% Convertible Preferred Stock in a non-cash transaction pursuant to Section 3(a)(9) of the Securities Act of 1933.

On August 15, 2015, the Company effected a reverse stock split of its common stock on a 1:10 share basis. This reduced the number of shares issued and outstanding by 62,664,880 shares.

On September 30, 2015, the Company issued 264,684 shares of its common stock to its Series A 5% Convertible Preferred Shareholders as a stock dividend in a non-cash transaction.

On December 31, 2015, the Company issued 284,702 shares of its common stock to its Series A 5% Convertible Preferred Shareholders as a stock dividend in a non-cash transaction.

On March 31, 2016, the Company issued 523,835 shares of its common stock to its Series A 5% Convertible Preferred Shareholders as a stock dividend in a non-cash transaction.

On June 30, 2016, the Company issued 535,237 shares of its common stock to its Series A 5% Convertible Preferred Shareholders as a stock dividend in a non-cash transaction.

On September 30, 2016, the Company issued 551,660 shares of its common stock to its Series A 5% Convertible Preferred Shareholders as a stock dividend in a non-cash transaction.

On December 31, 2016, the Company issued 284,699 shares of its common stock to its Series A 5% Convertible Preferred Shareholders as a stock dividend in a non-cash transaction.

On February 13, 2017, the Company issued 2,000,000 restricted shares of its common stock to Tensleep Financial Corporation for the purchase of 1,000,000 investment units of Tensleep Financial valued at \$250,000. Each investment unit consisted of 100 registered shares of Tensleep Financial Corporation common stock and 100 registered warrants each of Series A, B, C, and D Warrants to purchase one registered share per warrant at a strike price of \$0.20, \$0.25, \$0.30, and \$0.40 per share, respectively.

On February 13, 2017, the Company issued EPIC Medicor Corporation 2,000,000 of its restricted common stock for 13,000 investment units valued at \$260,000. Each investment unit consisted of 100 registered shares of EPIC Medicor Corporation common stock and 100 registered warrants each of Series A, B, C, and D Warrants to purchase one registered share per warrant at a strike price of \$0.075, \$0.10, \$0.15, and \$0.20 per share, respectively.

On February 13, 2017, the Company issued 2,000,000 restricted shares of its common stock to Tensleep Financial Corporation for the purchase of 1,000,000 investment units of Tensleep Financial valued at \$250,000. Each investment unit consisted of 100 registered shares of Tensleep Financial Corporation common stock and 100 registered warrants each of Series A, B, C, and D Warrants to purchase one registered share per warrant at a strike price of \$0.20, \$0.25, \$0.30, and \$0.40 per share, respectively.

On March 31, 2017, the Company issued 398,573 shares of its common stock to its Series A 5% Convertible Preferred Shareholders as a stock dividend in a non-cash transaction.

On March 31, 2017, the Company issued 200,000 shares of its restricted common stock to StockVest for consulting services.

On September 28, 2018, the Company issued 4,000,000 shares of its restricted common stock for cash pursuant to Section 4(2) of the Securities Act of 1933.

#### **NOTE 6: PREFERRED STOCK**

The Company has established a face value \$1 Series A 5% Convertible Preferred Stock. Its 5% dividend equal to \$0.05 per annum or \$0.0125 per quarter can be paid in cash or the Company's common stock at the discretion of the Company. The quarterly dividend is determined by dividing \$0.0125 by a 25% discount of the ratio of the total value of shares traded to total volume traded ("VWAP," value-weighted average price) 10 days prior to the date of the written notice of conversion, but not less than \$0.05 per share. The terms of the Preferred stock have been revised to provide Preferred Shareholder the right to convert the \$1 face value of the preferred share at a 65% discount from the VWAP traded 10 days prior to the date of the written notice is received by the Company but no less than \$0.10 per share and no higher than \$0.30 per share. The Preferred Shares have no voting right except in the event of a default by the Company.

#### **NOTE 7: EXCHANGE**

The Company, in July 2014, offered shareholders in street name the right to exchange voluntarily 1.5 shares of the Company's common stock for 1 share of the Company's Series A 5% Convertible Preferred Stock. The shareholders of 2,573,353 shares of common stock exchange their shares for 1,715,576 shares of preferred stock. The exchange was made pursuant to Section 3(a)(9) of the Act and are issued without restriction or legend condition (Rule 144 does not apply to an exempt security).

The Company, in July 2015, offered shareholders in street name the right to exchange voluntarily 2.5 shares of the Company's common stock for 1 share of the Company's Series A 5% Convertible Preferred Stock. The shareholders of 904,722 shares of common stock exchange their shares for 361,890 shares of preferred stock. The exchange was made pursuant to Section 3(a)(9) of the Act and are issued without restriction or legend condition (Rule 144 does not apply to an exempt security).

#### **NOTE 8: SECURITIES-FOR-SALE**

The Company's and its subsidiary Securities-For-Sale include:

EPIC Securities-For-Sale include:

RX Healthcare - on 8/18/2015 840,000 shares of common	\$210,000
RX Healthcare - on 8/18/2015 840,000 Series A, B, C, and D Warranta	
EPIC Medicor - on 9/30/2016 600,000 shares of common	\$120,000
EPIC Medicor - on 9/30/2016 2,400,000 Series A, B, C, and D Warrants	
EPIC Medicor - 12/26/2016 1,300,000 shares of common	\$260,000
EPIC Medicor - 12/26/2016 5,200,000 Series A, B, C, and D Warrants	
Tensleep Financial - 2/13/2017 1 MM shares	\$250,000
Tensleep Financial - 2/13/2017 1 MM shares	\$250,000
Tensleep Financial - 2/13/2017 2,000,000 Series A, B, C, and D Warrants	