

MEDIATECHNICS CORPORATION
CONSOLIDATED BALANCE SHEET
UNAUDITED
At March 31, 2016

ASSETS

CURRENT ASSETS:

Cash	\$	14,081
Inventory		1,743
Marketable securities held for sale		0
Unrealized (loss) on marketable securities		0
Total current assets		<u>15,823</u>
Note receivable		438,810
Accrued interest on note receivable		296,210
Furniture & equipment-net		17,762
Accumulated depreciation		
Intellectual property - net		1,285,422
Lease purchase option		
Total assets	\$	<u>2,054,027</u>

LIABILITIES & STOCKHOLDERS' EQUITY (DEFICIT)

CURRENT LIABILITIES

Accounts payable	\$	913,948
Loans from officers		88,417
Loans from others		424,112
Total current liabilities		<u>1,426,477</u>
Notes payable		117,000
Contingencies		200,000
Convertible debenture		228,675
Total liabilities		<u>1,972,152</u>

STOCKHOLDERS' EQUITY

Preferred stock		1,421
Common stock		1,309,704
Paid in capital		2,609,539
Unrealized (loss) on marketable securities		
Accumulated (deficit)		<u>(3,838,789)</u>
Total stockholders' equity		<u>81,875</u>
Total liabilities and stockholders' equity	\$	<u>2,054,027</u>

See accompanying notes to these unaudited consolidated financial statements.

MEDIATECHNICS CORPORATION
CONSOLIDATED INCOME STATEMENT
UNAUDITED

	For the three months ended		For the nine months ended	
	March 31,		March 31,	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<u>REVENUES</u>				
Sales income	\$ 2,683	\$ 2,800	\$ 14,928	\$ 59,183
Total Revenue	<u>2,683</u>	<u>2,800</u>	<u>14,928</u>	<u>59,183</u>
Cost of Sales	<u>499</u>	<u>2,398</u>	<u>1,896</u>	<u>45,212</u>
Gross Profit	2,184	402	13,032	13,971
Interest income	14,890	13,903	43,687	40,792
Net Revenue	<u>17,074</u>	<u>14,305</u>	<u>56,718</u>	<u>54,763</u>
<u>OPERATING EXPENSES</u>				
General and administrative	16,191	10,218	172,082	15,524
Officer compensation	39,000	39,000	117,000	117,000
Marketing expenses	48,684	5,000	116,082	6,386
Travel & entertainment	1,434	2,095	8,684	8,156
Professional fees	191,778	35,962	512,730	65,613
Rent & utilities	506	404	1,700	1,697
Interest expense	3,038	5,223	15,540	16,230
Amortization and depreciation	9,840	9,992	29,520	29,975
Total Operating Expenses	<u>310,471</u>	<u>107,894</u>	<u>973,338</u>	<u>260,581</u>
(Loss) from operations	(293,397)	(93,589)	(916,619)	(205,818)
Gain on settlement	-	1,000	-	23,425
Loss on sale of marketable securities	-	(37,289)	(197,008)	(37,228)
Reserve for settlements	-	(40)	-	(46,975)
Net income (loss)	<u>\$ (293,397)</u>	<u>\$ (129,918)</u>	<u>(1,113,627)</u>	<u>(266,596)</u>

See accompanying notes to these unaudited consolidated financial statements.

MEDIATECHNICS CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
UNAUDITED

	Preferred Shares	Preferred Amount	Common Shares	Amount	Paid-In Capital	Noncontrolling Interest	Accumulated (Deficit)	Total
Balance at December 31, 2015	1,402,505	\$1,403	1,303,831,469	\$1,303,832	2,615,430	\$ (7,529)	\$ (3,545,392)	\$179,646
Issuance of Preferred Class G	7,500	8			14,992			15,000
Coverion of Class M Preferred to Common	(6,500)	(7)	65,000,000	65,000	(64,994)			-
Conversion of Preferred Class M for services	(1,500)	(2)		-	(14,998)			(15,000)
Reverse of Common Stock in exchange for conversion of Class X Convertible Preferred Stock	19,000	19	(59,128,000)	(59,128)	59,109			-
Issuance of noncontrolling interest in subsidiary						195,626		195,626
Net Loss							(293,397)	(293,397)
Balance at March 31, 2016	1,421,005	\$1,421	1,309,703,469	\$1,309,704	2,609,540	\$188,097	\$ (3,838,789)	\$81,875

MEDIATECHNICS CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS
UNAUDITED

	For the three months ended		For the nine months ended
	March 31,		March 31,
	2016	2015	2016
OPERATING ACTIVITIES			
Net income (loss) for the period	\$ (293,397)	\$ (129,918)	\$ (1,113,627)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:			
Depreciation and amortization expense	9,840	9,991	29,520
Preferred Shares issued for interest & debt		3,580	
Settlements and loss on securities	56,047	-	(77,274)
Changes in assets and liabilities			
(Increase)/decrease in accrued interest receivable	(14,890)	(13,903)	(43,686)
(Increase)/decrease in accounts receivable	-	11,200	-
(Increase)/decrease in inventory	(500)	-	1,568
Increase/(decrease) in accounts payable	110,337	172,490	847,255
Increase/(decrease) in loans from officers	37,627	(2,403)	72,525
Increase/(decrease) in loans payable	111,381	-	394,782
(Increase)/decrease in marketable securities	-	142,446	(174,110)
Increase/(decrease) in contingencies	-	-	-
Increase/(decrease) in convertible debentures	(50,000)		110,675
Net cash (used in) provided by operating activities	(33,555)	193,483	(63,048)
INVESTING ACTIVITIES			
Purchase of furniture & equipment		456	
Capitalized services for intellectual property		(202,303)	
Net cash (used in) provided by investing activities	-	(201,847)	-
FINANCING ACTIVITIES			
Settlement retiring 25,000 Preferred H shares			
Settlement retiring 10,000 Preferred Y shares	-		-
Net cash (used in) provided by financing activities	-	-	-
INCREASE IN CASH	(33,555)	(8,364)	(63,048)
CASH, BEGINNING OF PERIOD	47,636	41,196	77,129
CASH, END OF PERIOD	\$ 14,081	\$ 32,832	\$ 14,081

MediaTechnics Corporation
Notes to Consolidated Financial Statements
For the Fiscal Quarters ended March 31, 2016 and 2015
(unaudited)

1) THE COMPANY AND ITS SIGNIFICANT ACCOUNTING POLICIES

The Company was originally incorporated in the state of Nevada on February 26, 1987 and has had different names and operations during its history. The Company is currently operating as a consultant and developer of advertising websites and applications for the cannabis industry, developing the BlazeNow website and mobile applications. The Company is actively searching for further business opportunities in the legal cannabis industry.

On June 13, 2011, the Board of Directors and persons having a majority of the voting power entitled to vote, voted to file Amended and Restated Articles of Incorporation reaffirming the actions of June 18, 2009, and reaffirming existing designations and removing obsolete designations of preferred.

The unaudited financial statements included herein were prepared from the records of the Company in accordance with Generally Accepted Accounting Principles. These financial statements reflect all adjustments, which are, in the opinion of management, necessary to provide a fair statement of the results of operations and financial position for the quarter ended March 31, 2016. Significant adjustments may be required to conform the financial statements to Generally Accepted Accounting Principles (GAAP) should management choose to seek to have the statements audited.

Acquisitions

On September 19, 2013, the Company acquired all of the outstanding Common Stock shares of Evergreen Systems Incorporated, "ESI" from its shareholders resulting in ESI becoming a wholly owned subsidiary of the Company.

As consideration for the acquisition of ESI, ESI's shareholders were issued 69,071 shares of Class M Convertible Preferred Stock ("Class M Stock") valued at \$386,798 as consideration for 4,000,000 common shares of Praxsyn Corporation fka PAWS Pet Company, Inc. trading under the symbol "PXYN" on the OTC Markets valued at \$196,000 and intellectual property in the form of a business and marketing plan valued at \$190,798.

Principles of Consolidation

The Company's consolidated financial statements include the assets, liabilities and operating results of its wholly owned subsidiary since formation of these entities. All significant inter-company accounts and transactions have been eliminated in consolidation.

Use of Estimates

The unaudited financial statements included herein were prepared from the records of the Company in accordance with Generally Accepted Accounting Principles. These financial statements reflect all adjustments, which are, in the opinion of management, necessary to provide a fair statement of the results of operations and financial position.

Cash & Cash Equivalents

The Company's policy is to consider cash and cash equivalents to consist of checking accounts, money market accounts or certificates of deposit having maturity dates of 180 days or less.

Financial Instruments

Financial instruments consist primarily of cash, security deposits and obligations under accounts payable and accrued expenses. The carrying amounts of cash, accounts receivable, security deposits, accounts payable and accrued expenses approximate fair value because of the short-term maturity of those instruments.

Income Taxes

The Company records its federal and state income tax liability as it is incurred.

2) INVESTMENT IN MARKETABLE SECURITIES AVAILABLE-FOR-SALE

Marketable Securities

In accordance with FASB 115, the Company is required to report the equity securities held as investments as marketable securities available-for-sale because they can be sold. The Company intends to utilize any proceeds realized from any future sale of equity securities held as investments for payment of expenses related to its operations. Marketable securities available-for-sale are reported at cost and adjusted on the Company's balance sheet for unrealized gains or losses in those securities during reporting periods. There were no marketable securities held for sale at March 31, 2016.

3) NOTES RECEIVABLE

On November 30, 2009, the Company sold all of its interest in MTS/MMC, and issued 100,000 shares of Class M Convertible Preferred Stock (Class M Stock"), to its former president, Richard Wilson and cancelled all shares of all other classes and series of stock held by Mr. Wilson. As part of this transaction the Company received a \$388,800 personal note from Mr. Wilson accruing interest at 9% per annum due December 1, 2012 and subsequently extended until December 31, 2015. The Company also retains an additional receivable from Mr. Wilson in the amount of \$50,010. During the fiscal quarter ended March 31, 2016 the Company earned interest on the note in the amount of \$14,890. At March 31, 2016 notes receivable were \$438,810 and accrued interest on the notes was \$296,210.

4) INTELLECTUAL PROPERTY – NET

The Company has three types of intellectual property described as follows:

Business & Marketing Plans

Acquired in the Evergreen Systems Inc. acquisition on September 19, 2013 as part of the allocated purchase price. The Company began generating revenue from these plans during the quarter ended September 30, 2014. The Plans are being amortized over five years starting April 1, 2014 in the amount of \$9,840 per quarter.

Lighting Development

Research and Development costs incurred to develop and bring proprietary growing lights to market that emit a spectrum of light customized for optimal photosynthesis without generating high levels of heat.

Website/Mobile Application Development

Research and Development costs to develop the BlazeNow website and mobile applications which are intended to provide product and location specific advertising as well as a mutually beneficial consumer review system for dispensaries and other Cannabis related businesses.

Net Intellectual Property is comprised of the following:

	Cost	Accumulated Amortization	Net
ESI Business & Marketing Plans	190,798	78,720	112,078
Lighting Development	123,000	0	123,000
Website development	1,050,343	0	1,050,343
	1,364,141	78,720	1,285,421

5) CONTINGENT LIABILITIES AND LITIGATION

Amounts set aside for contingent liabilities as a result of pending litigation, if any, or disputed judgments are not held in cash but rather, have been charged as liabilities against profit and loss, in advance, in the event that the Company is actually obligated to pay that amount as a result of losses in such pending litigation or undomesticated judgments that are finally domesticated in Nevada. If, ultimately, the Company is successful in defending itself against pending litigation or parties holding undomesticated judgments, the contingent liabilities will be removed and the amounts previously charged to profit and loss will be credited to income.

Management has set aside \$200,000 as a Contingency for legal fees or other expenses that may become necessary in order to defend against any claims related to the Company's defunct mortgage operations.

There is a default judgment on file against the Company in Alameda County, California of approximately \$182,436. The Company is not domiciled in California, has made no appearance in California regarding this matter and intends to vigorously fight any attempt to domesticate the default judgment in Nevada. The Company believes that it is not a proper party to the action and that the courts of the State of California do not have personal jurisdiction over the Company and intends to aggressively fight any attempt to subject it to the jurisdiction of the California court system and intends to file any motions that may become necessary to quash service for lack of personal jurisdiction. On January 13, 2015 the California court denied plaintiffs motion to require the Company to assign a note receivable to plaintiff. The motion was denied on the grounds that the plaintiff had not made diligent efforts to collect by obtaining a Nevada Judgment.

The Company previously was defending a lawsuit in the Superior Court for the County of Alameda arising from the claim of the aforementioned default judgment. On January 23, 2015 the plaintiff filed a request for dismissal with prejudice of the entire complaint, against all parties and for all causes of action. On February 5, 2015 the clerk of the court filed the dismissal and mailed a copy to the Plaintiff's counsel on February 10, 2015. Management received copies of the dismissal request, the entry of the dismissal and the mailing on February 19, 2015.

In light of the dismissal, the Company's motion to quash based on lack of jurisdiction is moot and Management intends to investigate its options regarding the advisability of any future settlement or further legal action regarding the underlying default judgment.

The Company is currently defending a lawsuit in the Superior Court for the City and County of San Francisco arising from the claim of the estate of a former investment advisor to the Company and former customer of our previously held subsidiary, Silverado Mortgage. The estate claims that the Company is responsible for the alleged promises of its former president, John E Hartman and one of that subsidiaries employees, Dawn Stafford to wit, that they would guarantee, in a verbal agreement, to which the only witness asserting the existence of any such verbal agreement is dead, that the deceased had homeowners' insurance (though our subsidiary was not in the insurance business), that our subsidiary, and consequently the Company, would guarantee that he had homeowners' insurance, forever, regardless of payment. The case has been dismissed as to Dawn Stafford and John E Hartman. The plaintiff appealed that judgment and the judgment was upheld by the appellate court on December 30, 2015. The Company believes that the severing of the chain that begins with Dawn Stafford severs the chain and destroys the plaintiff's case. On May 5, 2016, the Company agreed to settle all claims with plaintiffs for the sum of \$3000.

6) CONVERTIBLE DEBENTURES

During the quarter ended September 30, 2015 the Company's subsidiary, Evergreen Systems Incorporated ("ESI") received proceeds of \$134,675 for the issuance of convertible debt and warrants to third-party investors. The convertible debentures have a face value of \$134,675, accrue annual interest at 3.25%, and mature one year after issuance. If all such instruments were converted, the holders would receive shares comprising 3.8% of the outstanding shares of ESI, which would serve to reduce the Company's ownership in ESI accordingly. The warrants have a two-year contractual term and an aggregate exercise price of \$134,675 which, if exercised, would give the holders an extra 3.7% of the outstanding shares of ESI. The Company has accounted for these notes as debt until they are converted into equity.

During the quarter ended December 31, 2015, ESI received proceeds of \$66,000 for the issuance of convertible debt and warrants to third-party investors. The convertible debentures have a face value of \$66,000, accrue annual interest at 3.25%, and mature one year after issuance. If all such instruments were converted, the holders would receive shares comprising 0.7% of the outstanding shares of ESI. The warrants have a one-year contractual term from the conversion date and an aggregate exercise price of \$25,000 which, if exercised, would give the holders and extra 0.2% of the outstanding shares of ESI. The Company has accounted for these notes as debt until they

are converted into equity.

During the quarter ended March 31, 2016, ESI canceled a debenture in the amount of \$50,000; the transaction was recorded as of March 31, 2016.

7) COMMON AND PREFERRED STOCK

Common Stock

On April 16, 2008 the Company amended its Articles of Incorporation with the state of Nevada, changing its name to MediaTechnics Corporation, and increasing its authorized Common Stock shares from 200,000,000 to 470,000,000 and its authorized Preferred Stock from 5,000,000 to 20,000,000 shares.

On June 18, 2009, the Board of Directors, and persons having a majority of the voting power entitled to vote, voted to amend the Articles of Incorporation increasing the number of authorized Common Stock shares from 470,000,000 to 980,000,000.

On May 20, 2013, the Board of Directors, and persons having a majority of the voting power entitled to vote, voted to amend the Articles of Incorporation increasing the number of authorized Common Stock shares from 980,000,000 to 1,479,000,000.

During the quarter ended June 30, 2015 the Company issued 50,000,000 shares of Common Stock in conversion of 5,000 shares of Class M Convertible Preferred Stock and 100,000,000 shares of Common Stock in conversion of 50,000 shares of Class G Convertible Preferred Stock.

During the quarter ended March 31, 2016 the Company issued 65,000,000 shares of Common Stock in conversion of 6,500 shares of Class M Convertible Preferred Stock.

The Company has an authorized capitalization of 1,479,000,000 shares of Common Stock with a par value of \$.001. There were 1,244,703,469 Common Stock shares issued and outstanding on March 31, 2016.

Preferred Stock

The Company has an authorized capitalization of 20,000,000 shares of Preferred Stock with a par value of \$.001.

Class D Convertible Preferred Stock

At March 31, 2016 there were 1,000,000 shares of Class D Convertible Preferred Stock ("Class D Stock") authorized and none issued and outstanding.

On September 1, 2011 the Company cancelled all 1,000,000 shares of Class D Convertible Preferred Stock in exchange for 50,000 shares of Class G Convertible Preferred Stock. No further shares of Class D Stock may be issued without the express written consent of a majority of the holders of Class I Convertible Preferred Stock ("Class I Stock") and the amendment of the Certificate of Designation of Class I Stock, specifically allowing for the issuance of additional shares of Class D Stock.

Holders of Class D Preferred Stock are prohibited from converting into any number of Common Stock shares that would result in the Holder owning an aggregate number of shares of the Common Stock of the Company such that the holder would own more than 4.9% of the total outstanding Common Stock shares of the Company at the time of conversion.

There were no issuances of Class D Stock during the fiscal quarter ended March 31, 2016.

Class G Convertible Preferred Stock

At March 31, 2016 there were 100,000 shares of Class G Convertible Preferred Stock ("Class G Stock") authorized and 7,500 shares issued and outstanding.

Holders of Class G Stock have no dividend rights or any right to vote on matters put forward for the approval of Common Stock shareholders. Holders of Class G Stock may only vote on matters concerning the alteration of the specific rights of Class G Stock itself.

Holders of Class G Stock have the right to convert to Common Stock at a ratio of two thousand (2,000) shares of Common Stock per every one (1) share of Class G Stock irrespective of the trading price of the Common Stock.

Holders of Class G Preferred Stock are prohibited from converting into any number of Common Stock shares that would result in the Holder owning an aggregate number of shares of the Common Stock of the Company such that the holder would own more than 4.9% of the total outstanding Common Stock shares of the Company at the time of conversion.

On June 10, 2015 the Company converted and cancelled 50,000 shares of Class G Stock in exchange for 100,000,000 shares of Common Stock.

On August 22, 2015, the Company cancelled the outstanding 32,500 shares of Class G Convertible Preferred Stock in exchange for 6,500 shares of Class M Convertible Preferred Stock. The company then canceled 1,500 of the Class M shares and returned 7,500 shares of Class G stock to the shareholder.

There were no issuances of Class G Stock during the fiscal quarter ended March 31, 2016 and the Company intends to convert and cancel the Class G designation.

Class H Convertible Preferred Stock

At March 31, 2016 there were 100,000 shares of Class H Convertible Preferred Stock ("Class H Stock") authorized and 57,500 issued and outstanding.

Holders of Class H Stock have no dividend rights or any right to vote on matters put forward for the approval of Common Stock shareholders.

On September 19, 2013 and again on April 29, 2014, the Board of Directors voted to increase the Class H Stock conversion ratio to two thousand (2,000) shares of Common Stock per every one (1) share of Class H Stock irrespective of the trading price of the Common Stock.

Holders of Class H Preferred Stock are prohibited from converting into any number of Common Stock shares that would result in the Holder owning an aggregate number of shares of the Common Stock of the Company such that the holder would own more than 4.9% of the total outstanding Common Stock shares of the Company at the time of conversion.

There were no issuances of Class H Stock during the fiscal quarter ended March 31, 2016.

Class I Convertible Preferred Stock

At March 31, 2016 there were 1,000,000 shares of Class I Convertible Preferred Stock ("Class I Stock") authorized and 1,000,000 issued and outstanding.

On September 19, 2013 and again on April 29, 2014, the Board of Directors voted to amend the number of votes of each Class I Convertible Preferred Stock ("Class I Stock") from one thousand (1,000) to three thousand (3,000). There are currently 1,000,000 Class I Shares outstanding.

Holders of Class I Stock have no dividend rights. Holders of Class I Stock have three thousand (3000) votes relative to Common Stock on any matters put before the Common Stock holders.

Holders of Class I Stock have the right to convert to Common Stock at a ratio of fifty (50) shares of Common Stock per every one (1) share of Class I Stock irrespective of the trading price of the Common Stock.

Holders of Class I Preferred Stock are prohibited from converting into any number of Common Stock shares that would result in the Holder owning an aggregate number of shares of the Common Stock of the Company such that the holder would own more than 4.9% of the total outstanding Common Stock shares of the Company at the time of conversion.

There were no issuances of Class I Stock during the fiscal quarter ended March 31, 2016.

On February 17, 2014, Mr. Atamian and Evergreen Investment Firm LLC (a Nevada limited liability company controlled by Jeremy E. Carr) reached an agreement whereby Evergreen Investment Firm LLC exchanged 5,000 shares of Class M Stock for all 1,000,000 shares of Mr. Atamian's Class I Stock.

The following table summarizes Evergreen Investment Firm LLC's (and Mr. Carr's, through his control of Evergreen Investment Firm LLC) relative voting rights pursuant to his Class I Shares at the dates listed therein.

Date	Voting Percentage
12/31/2013	00.0%

03/31/2015	73.3%
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03/31/2016	69.6%
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Class J Convertible Preferred Stock

At March 31, 2016 there were 500,000 shares of Class J Convertible Preferred Stock (“Class J Stock”) authorized and 112,095 shares issued and outstanding.

Holders of Class J Stock have no dividend rights or any right to vote on matters put forward for the approval of Common Stock shareholders.

Prior to June 1, 2013, holders of Class J Stock had the right to convert to Common Stock at a ratio of one thousand (1,000) shares of Common Stock per every one (1) share of Class J Stock irrespective of the trading price of the Common Stock.

On June 1, 2013 the Board and holders of all of the outstanding shares of Class J stock voted to allow nine thousand (9,000) shares of Class J Stock to be converted at a ratio of five thousand (5,000) shares of Common Stock in settlement of certain claims against the Company and to increase the conversion ratio for the remaining outstanding shares to two thousand five hundred (2,500) shares of Common Stock per every one (1) share of Class J Stock irrespective of the trading price of the Common Stock thereafter.

Holders of Class J Preferred Stock are prohibited from converting into any number of Common Stock shares that would result in the Holder owning an aggregate number of shares of the Common Stock of the Company such that the holder would own more than 4.9% of the total outstanding Common Stock shares of the Company at the time of conversion.

In the event that the Company should subdivide the outstanding shares of Common Stock, the ratio under which holders of Class J Stock may convert their Class J Stock into Common Stock shall be increased by an amount equal to that which the Common Stock is so subdivided. In the event that the Company should combine the outstanding shares of Common Stock, the ratio under which holders of Class J Stock may convert their Class J Stock into Common Stock shall be decreased by an amount equal eighty-five percent (85%) of the amount by that which the Common Stock is so combined.

There were no issuances of Class J Stock during the fiscal quarter ended March 31, 2016.

Class M Convertible Preferred Stock

At March 31, 2016, there were 200,000 shares of Class M Convertible Preferred Stock (“Class M Stock”) authorized and 100,852 issued and outstanding.

Holders of Class M Stock have no dividend rights or any right to vote on matters put forward for the approval of Common Stock shareholders. Holders of Class M Stock may only vote on matters concerning the alteration of the specific rights of Class M Stock itself.

On September 19, 2013 and again on April 29, 2014, the Board of Directors voted to increase the Class M Stock conversion ratio to ten thousand (10,000) shares of Common Stock per every one (1) share of Class M Stock irrespective of the trading price of the Common Stock. As of March 31, 2016 Holders of Class M Stock have the right to convert to Common Stock at a ratio of ten thousand (10,000) shares of Common Stock per every one (1) share of Class M Stock irrespective of the trading price of the Common Stock.

Holders of Class M Preferred Stock are prohibited from converting into any number of Common Stock shares that would result in the Holder owning an aggregate number of shares of the Common Stock of the Company such that the holder would own more than 4.9% of the total outstanding Common Stock shares of the Company at the time of conversion.

In the event that the Company should subdivide the outstanding shares of Common Stock, the ratio under which holders of Class M Stock may convert their Class M Stock into Common Stock shall be increased by an amount equal to that which the Common Stock is so subdivided. In the event that the Company should combine the outstanding shares of Common Stock, the ratio under which holders of Class M Stock may convert their Class M Stock into Common Stock shall be decreased by an amount equal fifty percent (50%) of the amount by that which the Common Stock is so combined.

On June 2, 2015 the Company converted and cancelled 5,000 shares of Class M Stock in exchange for 50,000,000 shares of Common Stock.

On June 30, 2015 the Company issued 6,689 shares of Class M Stock in exchange the return and cancellation of a 0% convertible debenture in the amount of \$40,000.

On July 10, 2015 the Company issued 29,000 shares of Class M in exchange for the cancellation of \$156,000 owed in Short Term Notes for Accrued Officer Compensation.

On August 20, 2015, the Company, by a vote of a majority of the Class M shareholders, voted to increase the authorized shares of Class M Convertible Preferred Stock from 100,000 to 200,000.

On August 22, 2015, the Company issued 6,500 shares of Class M Convertible Preferred Stock in exchange for the return and cancellation of 32,500 shares of Class G Convertible Preferred Stock. The company then canceled 1,500 of the Class M shares and returned 7,500 shares of class G to the shareholder.

On December 15, 2015, the Company issued 2,592 shares of Class M Convertible Preferred Stock as compensation for \$15,500 owed to a consultant for services rendered to the Company.

On February 22, 2016, the Company converted 6,500 shares of Class M Convertible Preferred Stock into 65,000,000 Common Shares of the company.

Fiscal Year	Quarter	Class M Shares Issued	Face Value
2016	Q3	0	\$0.

Class X Convertible Preferred Stock

At March 31, 2016 there were 100,000 shares of Class X Convertible Preferred Stock (“Class X Stock”) authorized and 100,000 shares issued and outstanding.

On July 16, 2010, the Company authorized 100,000 shares of Class X Stock and the Company issued 100,000 shares of Class X Stock in conjunction with a transaction involving Class Z Stock (see below).

Each share of Class X Stock has a face value of \$0.50 (the “Face Value”) and pays a 9% cash dividend. In the event that the Company fails to pay dividends owed in a timely manner after June 30, 2011, the cash dividend rate will increase to 12%. Class X Stock has a liquidation preference over all other classes of stock other than Class Z.

Holders of Class X Stock have no right to vote on any matters put forward for the approval of Common Stock shareholders. Holders of Class X Stock may only vote on matters concerning the alteration of the specific rights of Class X Stock itself. No other class, classes or series of stock may be granted any rights or security interests preferential in nature to Class X Stock without the express written consent of a majority of all Class X Stock outstanding.

Holders of Class X Stock may convert their Class X Stock into shares of Common Stock on demand, which may not be denied for any reason. The conversion right is based upon as variable ratio based upon the following calculation: Total Outstanding Common Shares at Conversion Date x 0.00000125 x Class X shares being converted. In no event may the conversion ratio be less than 500 Common shares per Class X Share converted. In the event that the Company shall at any time subdivide the outstanding shares of Common Stock, or shall issue a stock dividend on the outstanding Common Stock, the Minimum Conversion Ratio in effect immediately prior to such subdivision or the issuance of such dividend shall be proportionately increased, and in the event that the Company shall at any time combine the outstanding shares of Common Stock, the Minimum Conversion Ratio in effect immediately prior to such combination shall remain as stated herein above and shall continue to remain unchanged through any subsequent combination or combinations. Notwithstanding the above, in no event shall the effective conversion ratio, whether the Conversion Ratio or the Minimum Conversion Ratio, be less than 0.00025% of the total number shares of Common Stock outstanding at the time of the Conversion Demand.

Holders of Class X Preferred Stock are prohibited from converting into any number of Common Stock shares that would result in the Holder owning an aggregate number of shares of the Common Stock of the Company such that the holder would own more than 4.9% of the total outstanding Common Stock shares of the Company at the time of conversion.

On October 22, 2015, the Company converted and canceled 19,000 shares of Class X Convertible Preferred Stock in exchange for 59,128,000 shares of Common Stock. On January 21, 2016, the Company reversed the October 22, 2015 Class X Convertible Preferred Stock conversion, therefore cancelling the issuance of 59,128,000 shares of Common Stock and adding 19,000 Class X shares back on the books of the Company.

The following table lists the Class X dividend amounts owed for respective period listed therein during the fiscal quarter ended March 31, 2016. These dividend amounts are accruing.

Fiscal Year	Quarter	Class X Dividend Amount
2016	Q3	\$1,817.31

Class Y Convertible Preferred Stock

At March 31, 2016 there were 3,000 Shares of Class Y Convertible Preferred Stock (“Class Y Stock”) authorized and 800 issued and outstanding.

Holders of Class Y Stock have no dividend rights or any right to vote on matters put forward for the approval of Common Stock shareholders. Holders of Class Y Stock may only vote on matters concerning the alteration of the specific rights of Class Y Stock itself.

On February 20, 2015 and again on April 20th, 2015, the Board of Directors voted to authorize 3,000 shares of Class Y Stock convertible at a ratio of six hundred and twenty five thousand (625,000) shares of Common Stock per every one (1) share of Class Y Stock irrespective of the trading price of the Common Stock. As of March 31, 2016 Holders of Class Y Stock have the right to convert to Common Stock at a ratio of six hundred and twenty five thousand (625,000) shares of Common Stock per every one (1) share of Class Y Stock irrespective of the trading price of the Common Stock.

Holders of Class Y Preferred Stock are prohibited from converting into any number of Common Stock shares that would result in the Holder owning an aggregate number of shares of the Common Stock of the Company such that the holder would own more than 4.9% of the total outstanding Common Stock shares of the Company at the time of conversion.

In the event that the Company should subdivide the outstanding shares of Common Stock, the ratio under which holders of Class Y Stock may convert their Class Y Stock into Common Stock shall be increased by an amount equal to that which the Common Stock is so subdivided. In the event that the Company should combine the outstanding shares of Common Stock, the ratio under which holders of Class M Stock may convert their Class M Stock into Common Stock shall be decreased by an amount equal fifty percent (50%) of the amount by that which the Common Stock is so combined.

On April 20, 2015 the Company issued 800 shares of Class Y Stock in exchange for Preferred Shares of PXYN convertible to 8,000,000 shares of PXYN Common Stock.

There were no issuances of Class Y Stock during the fiscal quarter ended March 31, 2016.

Class Z Convertible Preferred Stock

At March 31, 2016 there were 200,000 Preferred Shares Class Z Convertible Preferred Stock (“Class Z Stock”) authorized and 422,258 issued and outstanding.

On December 28, 2009, the Board of Directors voted to increase the number of authorized shares of Class Z Stock to 200,000. Each share of Class Z Stock has a face value of \$6.00 (the “Face Value”) and carries a 6% cumulative dividend. Class Z Stock has a liquidation preference over all other classes of stock.

On January 15, 2016, the Company issued 143,543 shares of Class Z Convertible Preferred Stock as compensation for \$ 771, 244 owed to consultants for services rendered to its subsidiary, Evergreen Systems Inc in the

development and launch of the BlazeNow platform. This share issuance was immediately reversed and the debt was returned to the books of Evergreen systems Inc.

On January 14, 2016 majority of the class Z shareholders voted to eliminate the dividend on Class Z effective on December 31, 2015.

Holders of Class Z Stock have no right to vote on any matters put forward for the approval of Common Stock shareholders. Holders of Class Z Stock may only vote on matters concerning the alteration of the specific rights of Class Z Stock itself. No other class, classes or series of stock may be granted any rights or security interests preferential in nature to Class Z Stock without the express written consent of a majority of all Class Z Stock outstanding.

Holders of Class Z Stock may convert their Class Z Stock into shares of Common Stock on demand. The conversion right is based upon a variable ratio wherein the Face Value is divided by the greater of, fifty percent (50%) of the low bid price of the Common Stock during the one (1) year period preceding any demand for conversion, or \$0.0005, however, in no event shall the number by which the Face Value is divided be greater than \$0.004

In the event that the Company should subdivide the outstanding shares of Common Stock, the ratio under which holders of Class Z Stock may convert their Class Z Stock into Common Stock shall be increased by an amount equal to that which the Common Stock is so subdivided. In the event that the Company should combine the outstanding shares of Common Stock, the ratio under which holders of Class Z Stock may convert their Class Z Stock into Common Stock shall remain unchanged.

Holders of Class Z Preferred Stock are prohibited from converting into any number of Common Stock shares that would result in the Holder owning an aggregate number of shares of the Common Stock of the Company such that the holder would own more than 4.9% of the total outstanding Common Stock shares of the Company at the time of conversion.

The following table lists all of the shares of Class Z Stock that were issued as a dividend and the respective dividend amount during the respective period listed therein during the fiscal year 2016.

Fiscal Year	Quarter	Class Z Shares Issued	Interest Owed to Z Shareholders
2016	Q1	629	\$3,771.08
2016	Q2	639	\$3,828.95
2016	Q3	0	\$0
2016	Q4	-	-

Noncontrolling Interest

During the fiscal quarter ended December 31, 2015, the Company issued an aggregate of 474,737 shares of common stock of the Company's subsidiary, ESI, representing approximately 1 percent of ownership, in exchange for \$75,000. This ownership is reflected as noncontrolling interest in the accompanying consolidated balance sheet and is recorded at its proportionate interest of the carrying value of the subsidiary. The difference between the carrying value of the noncontrolling interest and the amounts paid is reflected as a capital contribution during the quarter ended December 31, 2015. Given the timing of the investment, no loss incurred during the quarter ended December 31, 2015 was attributed to the noncontrolling interest as the effects are immaterial.

During the fiscal quarter ended March 31, 2016, the Company issued an aggregate of 50,000 shares of common stock of the Company's subsidiary, ESI, representing less than 1 percent of ownership, in exchange for \$30,000. This ownership is reflected as noncontrolling interest in the accompanying consolidated balance sheet and is recorded at its proportionate interest of the carrying value of the subsidiary. The difference between the carrying value of the noncontrolling interest and the amounts paid is reflected as a capital contribution during the quarter ended March 31, 2016. Given the timing of the investment, no loss incurred during the quarter ended March 31, 2016 was attributed to the noncontrolling interest as the effects are immaterial.

8) SUBSIDIARY EVENTS

On March 1, 2016, the Company filed for Regulation D with the SEC (Securities and Exchange Commission). The Company intends to issue 2,000,000 Common shares in exchange for \$1.2M under 506c. In addition, the shareholders of the Evergreen Systems Incorporated, authorized 25,000,000 preferred shares in anticipation of the Company's fund raising activities.

On March 1, 2016, the Company authorized and issued 1,000,000 series A preferred shares to its Chief Executive Officer, Series A preferred shareholders have one thousand (1000) votes relative to Common Stock on any matters put before the Common Stock holders. The transaction transfers control of the Subsidiary (ESI) to the Chief Executive Officer.

On August 3, 2015, the Company's subsidiary, Evergreen Systems Incorporated, by unanimous vote of the shareholders, voted to amend the Articles of Incorporation to increase the authorized shares from 50,000,000 to 60,000,000.

On October 30, 2015, the Company's subsidiary, Evergreen Systems Incorporated, executed a 3.25% convertible debenture in the amount of \$10,000 for a capital infusion on October 30, 2015 necessary to continue Development on BlazeNow. The principal amount of the debenture is convertible into ESI Common Stock at \$0.19 per share.

On October 30, 2015, the Company's subsidiary, Evergreen Systems Incorporated, executed a 3.25% convertible debenture in the amount of \$6,000 for a capital infusion on October 30, 2015 necessary to continue Development on BlazeNow. The principal amount of the debenture is convertible into ESI Common Stock at \$0.20 per share.

On December 21, 2015, the Company's subsidiary, Evergreen Systems Incorporated, executed a 3.25% convertible debenture in the amount of \$25,000 for a capital infusion on December 21, 2015 necessary to continue Development on BlazeNow. The principal amount of the debenture is convertible into ESI Common Stock at \$0.15 per share.

On December 30, 2015, the Company's subsidiary, Evergreen Systems Incorporated, executed a 3.25% convertible debenture in the amount of \$25,000 for a capital infusion on December 30, 2015 necessary to continue Development on BlazeNow. The principal amount of the debenture is convertible into ESI Common Stock at \$0.19 per share. This debenture carries with it one year warrants to purchase 100,000 shares of ESI Common Stock at a strike price of \$0.25 per-share.

On October 5, 2015, the Company's subsidiary, Evergreen Systems Incorporated, initiated a plan to raise a friends and family round of funding of a maximum of \$600,000 and a minimum of \$25,000 at a price of \$0.19 per-share. Capital is necessary to begin the marketing of BlazeNow and to continue development on additional features of BlazeNow.

On October 26, 2015, the Company's subsidiary, Evergreen Systems Incorporated, executed a Stock Purchase Agreement in the amount of \$50,000 received from an accredited investor as part of the \$600,000 raise. The company has issued 263,158 of ESI Common Stock pursuant to this SPA.

On November 4, 2015, the Company's subsidiary, Evergreen Systems Incorporated, executed a Stock Purchase Agreement in the amount of \$25,000 received from an accredited investor as part of the \$600,000 raise. The company has issued 131,579 of ESI Common Stock pursuant to this SPA. The following Warrants were granted in association with this SPA: 100,000 shares of ESI Common Stock at a strike price of \$.30 per share. Expiration – November 4, 2017.

On November 4, 2015, the Company's subsidiary, Evergreen Systems Incorporated, issued 80,000 of ESI Common Stock to the CIO/CFO of one of the largest sports organizations in the world to join the ESI Board of Advisors after his investment into the Company. The following Warrants were granted in association with this offer: 160,000 shares

of ESI Common Stock at a strike price of \$.25 per share. Expiration – May 4, 2017.

On January 16, 2016, the Company's subsidiary, Evergreen Systems Incorporated, issued warrants to purchase ESI Common Stock to a former president of Capital Records in exchange for him joining the ESI Board of Advisors. The following Warrants were granted in association with this offer: 200,000 shares of ESI Common Stock at a strike price of \$.20 per share. Expiration – January 16, 2017.

On January 15, 2016, the Company's subsidiary, Evergreen Systems Incorporated, cancelled a 3.25% convertible debenture in the amount of \$50,000 and its associated interest and warrants. The amount was returned to the books of the company under short term notes to be settled future date.

On January 15, 2016, the Company's subsidiary, Evergreen Systems Incorporated, cancelled a 3.25% convertible debenture in the amount of \$20,000 and its associated interest and warrants. The amount was returned to the books of the company under short term notes to be settled future date.

On March 1, 2016 the Company amended its Articles of Incorporation with the state of Nevada, authorizing 25,000,000 shares of Preferred Stock.

On March 1, 2016, the Company designated and issued 1 million shares of a new class of preferred stock called Series A Preferred Stock. Stockholders shall be entitled to vote on all matters requiring a shareholder vote of the Corporation and each shareholder of record of Series A Stock shall have one thousand (1,000) votes for each Series A share outstanding in his or her name on the books of the Corporation relative to each Common Stock share.

SUBSIDIARY SUBSEQUENT EVENTS

Subsequent to the quarter ended March 31, 2016, the Company's subsidiary, Evergreen Systems Incorporated, executed Subscription Agreements in the total amount of \$136,000 received from accredited investors as part of the \$1.2MM 506c raise. The company plans to issue 226,667 of ESI Common Stock pursuant to these Subscription Agreements.

9) SUBSEQUENT EVENTS

On April 18, 2016, the Company converted 25,500 shares of Class J Convertible Preferred Stock into 63,750,000 Common Shares of the company.