

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
THE BOARD OF SIGNATURE DEVICES INC.**

We have audited the accompanying balance sheet of Signature Devices, Inc. as of September 30, 2007, December 31, 2006 and 2005 and the related statements of operations, stockholders equity and cash flows for the periods then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Signature Devices, Inc. as at September 30, 2007 December 31, 2006 and 2005 and the results of its' operations and its' stockholders equity and cash flows for the periods then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. The Company's viability is dependent upon its ability to obtain future financing and the success of its future operations. These factors raise substantial doubt as to the Company's ability to continue as a going concern. Management's plan in regard to these matters is described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**Gruber & Company, LLC Saint Louis, Missouri
October 12, 2007**

Signature Devices, Inc. Balance Sheets

Assets	September 30, 2007	December 31, 2006	December 31, 2005
Assets			
Current Assets			
Cash & Equivalents	\$ 77,682	\$ 29,392	\$ 5,729
Accounts Receivable	52,931	118,036	43,568
Inventory	73,004	129,458	-
Subscriptions Receivable	246,000	246,000	-
Prepaid Expenses & Other Assets	17,875	42,874	1,194
Total Current Assets	<u>467,492</u>	<u>565,760</u>	<u>50,491</u>
Property & Equipment, Net	24,838	18,973	24,796
Software Technology	70,728	70,728	66,728
Other	-	-	-
Total Assets	<u>\$ 563,058</u>	<u>\$ 655,461</u>	<u>\$ 142,015</u>
Liabilities & Stockholders' Equity (Deficit)			
Current Liabilities			
Accounts Payable	\$ 54,165	\$ 101,545	\$ 20,226
Income Tax Payable	-	-	-
Accrued Expenses	2,017	2,017	2,017
Accrued Payroll & Related Items	760	760	760
Total Current Liabilities	<u>56,942</u>	<u>104,322</u>	<u>23,003</u>
Notes & Interest Payable-Related Party	21,593	39,343	46,188
Commitments & Contingencies	-	-	-
Stockholders' Equity (Deficit)			
Preferred Stock, \$0.001 par value, 5,000,000 shares authorized, 277,552, 0 and 0 shares issued and outstanding, respectively.	\$ 278	\$ -	\$ -
Common Stock, \$0.001 par value, 450,000,000 shares authorized; 52,998,003, 50,752,848 and 7,564,000 shares issued and outstanding, respectively.	52,998	50,753	7,564
Additional Paid-in Capital	3,089,831	1,445,266	163,836
Accumulated Deficit	(2,658,584)	(984,223)	(98,576)
Total Stockholders' Equity (Deficit)	<u>484,523</u>	<u>511,796</u>	<u>72,824</u>
Total Liabilities & Stockholders' Equity (Deficit)	<u>\$ 563,058</u>	<u>\$ 655,461</u>	<u>\$ 142,015</u>

The accompanying notes are an integral part of these financial statements

Signature Devices, Inc. Statements of Operations

	For the Nine Months Ended September 30, 2007	For the Year Ended December 31, 2006	For the Year Ended December 31, 2005
Revenues			
Consulting Income	\$ 494,920	\$ 1,103,367	\$ 931,750
Other Recurring Income	54,908	65,650	93,234
Total Revenues	<u>549,828</u>	<u>1,169,017</u>	<u>1,024,984</u>
Cost of Goods Sold	70,830	70,837	-
Gross Profit	<u>478,998</u>	<u>1,098,180</u>	<u>1,024,984</u>
Operating Expenses			
General & Administrative	771,643	1,050,734	797,816
Stock Based Compensation	1,371,088	923,986	5,000
Total Operating Expenses	<u>2,142,731</u>	<u>1,974,720</u>	<u>802,816</u>
Operating Income (Loss)	<u>(1,663,733)</u>	<u>(876,540)</u>	<u>222,168</u>
Other Income (Expense)			
Other Income	-	-	-
Interest Income	-	-	21
Interest Expense	(10,431)	(6,773)	(35,889)
Total Other Income (Expense)	<u>(10,431)</u>	<u>(6,773)</u>	<u>(35,868)</u>
Net Income (Loss) Before Income Taxes	(1,674,164)	(883,313)	186,300
Provision for Income Taxes	(197)	(2,334)	(830)
Net Income (Loss)	<u>\$ (1,674,361)</u>	<u>\$ (885,647)</u>	<u>\$ 185,470</u>
Income (Loss) Per Share-Basic	<u>\$ (0.03)</u>	<u>\$ (0.02)</u>	<u>\$ 0.03</u>
Weighted Average Number of Shares	<u>51,366,858</u>	<u>35,870,583</u>	<u>6,596,329</u>

The accompanying notes are an integral part of these financial statements

Signature Devices, Inc.
Statements of Stockholders' Equity (Deficit)

	Preferred Stock		Common Stock			Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Number of Shares	Par Value (\$0.001) Amount	Number of Shares	Par Value (\$0.001) Amount	Additional Paid-In-Capital		
Balance at December 31, 2004	-	\$ -	6,464,000	\$ 6,464	\$ 114,936	\$ (284,046)	\$ (162,646)
Common Stock Issued to Investors for Cash	-	-	550,000	550	29,450	-	30,000
Common Stock Issued to Officers for Cash	-	-	500,000	500	14,500	-	15,000
Common Stock Issued for Services	-	-	50,000	50	4,950	-	5,000
Net Loss	-	-	-	-	-	185,470	185,470
Balance at December 31, 2005	-	\$ -	7,564,000	\$ 7,564	\$ 163,836	\$ (98,576)	\$ 72,824
Common Stock Issued to Investors for Cash	-	-	452,787	453	78,047	-	78,500
Common Stock Issued to Officers for Cash	-	-	355,000	355	35,145	-	35,500
Common Stock Issued for Services	-	-	797,728	798	378,552	-	379,350
Common Stock Issued to for Subscriptions	-	-	950,000	950	245,050	-	246,000
Stock Options Issued	-	-	40,633,333	40,633	-	-	40,633
APIC related to issuance of Stock Options	-	-	-	-	544,636	-	544,636
Net Loss	-	-	-	-	-	(885,647)	(885,647)
Balance at December 31, 2006	-	\$ -	50,752,848	\$ 50,753	\$ 1,445,266	\$ (984,223)	\$ 511,796
Preferred Stock Issued for Cash	552	1	-	-	275,999	-	276,000
Preferred Stock Issued to Officers for Services	277,000	277	-	-	71,743	-	72,020
Common Stock Issued for Services	-	-	2,245,155	2,245	576,599	-	578,844
APIC related to issuance of Stock Options	-	-	-	-	720,224	-	720,224
Net Loss	-	-	-	-	-	(1,674,361)	(1,674,361)
Balance at September 30, 2007	277,552	\$ 278	52,998,003	\$ 52,998	\$ 3,089,831	\$ (2,658,584)	\$ 484,523

The accompanying notes are an integral part of these financial statements

Signature Devices, Inc. Statements of Cash Flows

	For the Nine Months Ended September 30, 2007	For the Year Ended December 31, 2006	For the Year Ended December 31, 2005
Cash Flows from Operating Activities			
Net Income (Loss)	\$ (1,674,361)	\$ (885,647)	\$ 185,470
Adjustments to reconcile net loss to net cash used in operating activities:			
Stock Issued for Services	650,864	379,350	5,000
Stock Related Compensation Expense	720,224	544,636	-
Depreciation & Amortization	8,474	5,823	5,823
Changes in operating assets and liabilities:			
Accounts Receivable	65,105	(74,468)	(43,568)
Inventory	56,454	(129,458)	-
Subscriptions Receivable	-	(246,000)	-
Prepaid Expenses & Other Assets	24,999	(41,680)	37,597
Accounts Payable	(47,380)	81,319	(110,164)
Income Tax Payable	-	-	-
Accrued Expenses	-	-	2,017
Accrued Payroll & Related Items	-	-	(5,713)
Net Cash Used in Operating Activities	(195,621)	(366,125)	76,462
Cash Flows from Investing Activities			
Purchase of Property and Equipment	(14,339)	-	(11,395)
Software Technology	-	(4,000)	-
Net Cash Used in Investing Activities	(14,339)	(4,000)	(11,395)
Cash Flows from Financing Activities			
Preferred Stock Issued for Cash	276,000	-	-
Common Stock Issued for Cash	-	114,000	45,000
Common Stock Issued for Stock Options	-	40,633	-
Common Stock Issued for Subscriptions	-	246,000	-
Loans from Shareholders	(17,750)	(6,845)	(108,568)
Net Cash Provided by Financing Activities	258,250	393,788	(63,568)
Net Increase (Decrease) in Cash	48,290	23,663	1,499
Cash Beginning of Period	29,392	5,729	4,230
Cash End of Year	\$ 77,682	\$ 29,392	\$ 5,729
Supplemental Disclosure of Cash Flow Information:			
Cash Paid during the period for interest	\$ 5,398	\$ 3,556	\$ 19,713
Cash Paid during the period for income taxes	197	2,334	830
Supplemental Disclosure of Non-Cash Items:			
Stock Issued for Services	\$ 650,864	\$ 379,350	\$ 5,000
Common Stock Issued for Subscriptions	-	246,000	-
Stock Issued for Stock Options	-	40,633	-

The accompanying notes are an integral part of these financial statements

SIGNATURE DEVICES, INC.

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BUSINESS AND ORGANIZATION

Signature Devices, Inc. publishes, creates, develops and manufactures advanced information technologies, including computer systems, software, and electronic products.

The company also publishes software including video games, and commercial products. One of the companies technologies includes a blend of hardware and software for Image generation technology.

Signature Devices, has developed software for the world's leading game publishers, including Electronic Arts (NASDAQ: ERTS), Crytek, Espresso Fitness, and SNK Playmore. The company has also developed embedded systems and electronics for companies such as Pacific Consultants (now PEMSTAR) for the product Land Warrior.

Based in Silicon Valley, Signature Devices has created technology for advanced 3D systems for use in gaming systems, simulations and digital CG films.

B. Accounting Method

The Company's financial statements are prepared using the accrual method of accounting. The Company has elected a December 31 year-end.

C. Property & Equipment

Property and equipment is recorded at cost. Major additions and improvements are capitalized. The cost and related accumulated depreciation of equipment retired or sold are removed from the accounts and any differences between the undepreciated amount and the proceeds from the sale are recorded as a gain or loss on sale of equipment. Depreciation is computed using the straight-line method over the estimated useful life of the assets.

D. Intangible Assets

Intangible assets subject to impairment include costs to acquire and develop technology and are evaluated for impairment on an annual basis.

E. Capital Stock

The authorized capital stock of the Company consists of 5,000,000 shares of preferred stock at a par value of \$0.001. At September 30, 2007, December 31, 2006 and December 31, 2005 there were 277,552, 0 and 0 shares issued and outstanding, respectively.

The authorized capital stock of the Company consists of 450,000,000 shares of common stock at a par value of \$0.001. At September 30, 2007, December 31, 2006 and December 31, 2005 there were 52,998,003, 50,752,848 and 7,564,000 shares issued and outstanding, respectively.

F. 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 of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

G. Revenue Recognition

Revenue is recognized in accordance with SEC Staff Accounting Bulletin No. 101, "Revenue Recognition in Financial Statements." The Company recognizes revenue when the significant risks and rewards of ownership have been transferred to the customer pursuant to applicable laws and regulations, including factors such as when there has been evidence of a sales arrangement, delivery has occurred, or service have been rendered, the price to the buyer is fixed or determinable, and collectibility is reasonably assured.

H. Recent Accounting Pronouncements

In November 2004, the FASB issued SFAS No. 151 "Inventory Costs, an amendment of ARB No. 43, Chapter 4. The amendments made by Statement 151 clarify that abnormal amounts of idle facility expense, freight, handling costs, and wasted materials (spoilage) should be recognized as current-period charges and require the allocation of fixed production overheads to inventory based on the normal capacity of the production facilities. The guidance is effective for inventory costs incurred during fiscal years beginning after September 15, 2005. Earlier application is permitted for inventory costs incurred during fiscal years beginning after November 23, 2004. The Company has evaluated the impact of the adoption of SFAS 151, and does not believe the impact will be significant to the Company's overall results of operations or financial position.

In December 2004, the FASB issued SFAS No.152, "Accounting for Real Estate Time-Sharing Transactions--an amendment of FASB Statements No. 66 and 67" ("SFAS 152) The amendments made by Statement 152 This Statement amends FASB Statement No. 66, Accounting for Sales of Real Estate, to reference the financial accounting and reporting guidance for real estate time-sharing transactions that is provided in AICPA Statement of Position (SOP) 04-2, Accounting for Real Estate Time-Sharing Transactions. This Statement also amends FASB Statement No. 67, Accounting for Costs and Initial Rental Operations of Real Estate Projects, to state that the guidance for (a) incidental operations and (b) costs incurred to sell real estate projects does not apply to real estate time-sharing transactions. The accounting for those operations and costs is subject to the guidance in SOP 04-2. This Statement is effective for financial statements for fiscal years beginning after September 15, 2005. The Company has evaluated the impact of the adoption of SFAS 152, and does not believe the impact will be significant to the Company's overall results of operations or financial position.

In December 2004, the FASB issued SFAS No.153, "Exchanges of Nonmonetary Assets, an amendment of APB Opinion No. 29, Accounting for Nonmonetary Transactions."The amendments made by Statement 153 are based on the principle that exchanges of nonmonetary assets should be measured based on the fair value of the assets exchanged. Further, the amendments eliminate the narrow exception for nonmonetary exchanges of similar productive assets and replace it with a broader exception for exchanges of nonmonetary assets that do not have commercial substance. Previously, Opinion 29 required that the accounting for an exchange of a productive asset for a similar productive asset or an equivalent interest in the same or similar productive asset should be based on the recorded amount of the asset relinquished. Opinion 29 provided an exception to its basic measurement principle (fair value) for exchanges of similar productive assets. The Board believes that exception required that some nonmonetary exchanges, although commercially substantive, be recorded on a carryover basis. By focusing the exception on exchanges that lack commercial substance, the Board believes this Statement produces financial reporting that more faithfully represents the economics of the transactions. The Statement is effective for nonmonetary asset exchanges occurring in fiscal periods beginning after September 15, 2005. Earlier application is permitted for nonmonetary asset exchanges occurring in fiscal periods beginning after the date of issuance. The provisions of this Statement shall be applied prospectively. The Company has evaluated the impact of the adoption of SFAS 153, and does not believe the impact will be significant to the Company's overall results of operations or financial position.

In December 2004, the FASB issued SFAS No.123 (revised 2004), "Share-Based Payment". Statement 123(R) will provide investors and other users of financial statements with more complete and neutral financial information by requiring that the compensation cost relating to share-based payment transactions be recognized in financial statements. That cost will be measured based on the fair value of the equity or liability instruments issued. Statement 123(R) covers a wide range of share-based compensation arrangements including share options, restricted share plans, performance-based awards, share appreciation rights, and employee share purchase plans. Statement 123(R) replaces FASB Statement No. 123, Accounting for Stock-Based Compensation, and supersedes APB Opinion No. 25, Accounting for Stock Issued to Employees. Statement 123, as originally issued in 1995, established as preferable a fair-value-based method of accounting for share-based payment transactions with employees. However, that Statement permitted entities the option of continuing to apply the guidance in Opinion 25, as long as the footnotes to financial statements disclosed what net income would have been had the preferable fair-value-based method been used. Public entities (other than those filing as small business issuers) will be required to apply Statement 123(R) as of the first interim or annual reporting period that begins after September 15, 2005. The Company adopted Statement 123(R) in December of 2005.

In December 2004, the Financial Accounting Standards Board issued two FASB Staff Positions - FSP FAS 109-1, Application of FASB Statement 109 "Accounting for Income Taxes" to the Tax Deduction on Qualified Production Activities Provided by the American Jobs Creation Act of 2004, and FSP FAS 109-2 Accounting and Disclosure Guidance for the Foreign Earnings Repatriation Provision within the American Jobs Creation Act of 2004. Neither of these affected the Company as it does not participate in the related activities.

In March 2005, the SEC released Staff Accounting Bulletin No. 107, "Share-Based Payment" ("SAB 107"), which provides interpretive guidance related to the interaction between SFAS 123(R) and certain SEC rules and regulations. It also provides the SEC staff's views regarding valuation of share-based payment arrangements. In April 2005, the SEC amended the compliance dates for SFAS 123(R), to allow companies to implement the standard at the beginning of their next fiscal year, instead of the next reporting period beginning after September 15, 2005. Management is currently evaluating the impact SAB 107 will have on our consolidated financial statements.

In March 2005, the FASB issued FASB Interpretation No. 47, "Accounting for Conditional Asset Retirement Obligations" ("FIN 47"). FIN 47 provides guidance relating to the identification of and financial reporting for legal obligations to perform an asset retirement activity. The Interpretation requires recognition of a liability for the fair value of a conditional asset retirement obligation when incurred if the liability's fair value can be reasonably estimated. FIN 47 also defines when an entity would have sufficient information to reasonably estimate the fair value of an asset retirement obligation. The provision is effective no later than the end of fiscal years ending after December 15, 2005. The Company will adopt FIN 47 beginning the first quarter of fiscal year 2006 and does not believe the adoption will have a material impact on its consolidated financial position or results of operations or cash flows.

In May 2005, the FASB issued FASB Statement No. 154, "Accounting Changes and Error Corrections." This new standard replaces APB Opinion No. 20, "Accounting Changes, and FASB Statement No. 3, Reporting Accounting Changes in Interim Financial Statements," and represents another step in the FASB's goal to converge its standards with those issued by the IASB. Among other changes, Statement 154 requires that a voluntary change in accounting principle be applied retrospectively with all prior period financial statements presented on the new accounting principle, unless it is impracticable to do so. Statement 154 also provides that (1) a change in method of depreciating or amortizing a long-lived non-financial asset be accounted for as a change in estimate (prospectively) that was effected by a change in accounting principle, and (2) correction of errors in previously issued financial statements should be termed a "restatement." The new standard is effective for accounting changes and correction of errors made in fiscal years beginning after December 15, 2005. Early adoption of this standard is permitted for accounting changes and correction of errors made in fiscal years beginning after September 1, 2005. The Company has evaluated the impact of the adoption of Statement 154 and does not believe the impact will be significant to the Company's overall results of operations or financial position.

In February of 2006, the FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments", which is intended to simplify the accounting and improve the financial reporting of certain hybrid financial instruments (i.e., derivatives embedded in other financial instruments). The statement amends SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", and SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities—a replacement of FASB Statement No. 125." SFAS No. 155 is effective for all financial instruments issued or acquired after the beginning of an entity's first fiscal year that begins after September 15, 2006. The Company is currently evaluating the impact SFAS No. 155 will have on its consolidated financial statements, if any.

The implementation of the provisions of these pronouncements are not expected to have a significant effect on the Company's consolidated financial statement presentation.

NOTE 2- Subscriptions Receivable

On August 22nd, 2007 board extended the promissory notes for a few months and it was then resolved that the company adjusts the non-recourse promissory notes for the following issued restricted shares:

- Susie Dews – August 23rd, 2006, 300,000 shares at .126 cents per share
- Efrain Valdivia – August 23rd, 2006 – 450,000 shares at .126 cents per share
- Greg Elbert – August 23rd, 2006 – 200,000 shares at .126 cents per share

NOTE 3- FIXED ASSETS

Property and equipment consists of the following:

	September 30, 2007	December 31, 2006	December 31, 2005
Computer Equipment	\$ 46,847	\$ 33,117	\$ 33,117
Furniture and Office Equipment	7,559	7,559	7,559
Computer Software	2,549	1,940	1,940
Less: Accumulated Depreciation	(32,117)	(23,643)	(17,820)
Net Property & Equipment	<u>\$ 24,838</u>	<u>\$ 18,973</u>	<u>\$ 24,796</u>
Depreciation Expense	\$ 8,474	\$ 5,823	\$ 5,823

NOTE 4-SOFTWARE TECHNOLOGY

The Company entered into an Asset Purchase Agreement dated December 15, 2002 with Kenneth Hurley, the Company's president, whereby the Company purchased certain software technology valued at \$105,723.

The Company will test and evaluate the balance for impairment on an annual basis. Such analysis will be based upon the expected future cash flows of the software technology. There have been \$0 impairment charges for the periods ended September 30, 2007, December 31, 2006 and December 31, 2005.

NOTE 5- NOTES & INTEREST PAYABLE RELATED PARTY

As of September 30, 2007, December 31, 2006 and December 31, 2005, the Company has loan balances due to Kenneth Hurley, Company President, for \$21,593, \$39,343 and \$46,188 respectively. These notes bear 10% interest per annum and are due in 2 years from the date of the note.

NOTE 6-COMMITMENTS AND CONTIGENCIES

LEASE AGREEMENT

The Company currently leases its Corporate Offices under a sublease for \$5,655 per month. This lease expires June 30, 2008 unless terminated earlier under the master lease provisions.

LITIGATION

The Company in not currently involved in any lawsuits or litigation.

NOTE 7-INCOME TAXES

The Company had available approximately \$2,658,584, \$984,223 and \$98,576 of unused Federal and state net operating loss carryforwards at September 30, 2007, December 31, 2006 and December 31, 2005, respectively, that may be applied against future taxable income. These net operating loss carryforwards expire through 2022 and 2012 for federal and state purposes, respectively. There is no assurance that the Company will realize the benefit of the net operating loss carryforwards.

The components of the deferred tax asset is as follows at May 31:

	September 30, 2007	December 31, 2006	December 31, 2005
Deferred Tax Asset:			
Net Operating Loss Carryforward	\$ (2,658,584)	\$ (984,223)	\$ (98,576)
Valuation Allowance	(2,658,584)	(984,223)	(98,576)
Net Deferred Tax Asset	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SFAS No. 109 requires a valuation allowance to be recorded when it is more likely than not that some or all of the deferred tax assets will not be realized. At September 30, 2007, December 31, 2006 and December 31, 2005, valuation allowances for the full amount of the net deferred tax asset were established due to the uncertainties as to the amount of the taxable income that would be generated in future years.

Reconciliation of the difference between the statutory tax rate and effective income tax rate is as follows:

	September 30, 2007	December 31, 2006	December 31, 2005
Statutory Federal Tax (Benefit) Rate	-34.00%	-34.00%	-34.00%
Statutory State Tax (Benefit) Rate	-5.83%	-5.83%	-5.83%
Effective Tax (Benefit) Rate	<u>-39.83%</u>	<u>-39.83%</u>	<u>-39.83%</u>
Valuation Allowance	39.83%	39.83%	39.83%
Effective Income Tax	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

NOTE 8- STOCKHOLDERS' EQUITY

The authorized capital stock of the Company consists of 5,000,000 shares of preferred stock at a par value of \$0.001. At September 30, 2007, December 31, 2006 and December 31, 2005 there were 277,552, 0 and 0 shares issued and outstanding, respectively.

The authorized common stock of the Company consists of 450,000,000 shares at a par value of \$0.001. At September 30, 2007, December 31, 2006 and December 31, 2005 there were 52,998,003, 50,752,848 and 7,564,000 shares issued and outstanding, respectively.

The Company issued shares of common stock in unregistered transactions during fiscal years 2005, 2006 and 2007. All of the following shares of common stock issued were non registered transactions in reliance on Section 4 (2) of the Securities Act of 1933, as amended (the "Securities Act"). The shares of common stock issued were as follows:

In fiscal 2005, 550,000 shares were issued for cash of \$30,000, 500,000 shares were issued to managing directors of Signature Devices, Inc. for cash totaling \$15,000 and 50,000 shares were issued to non-affiliated individuals for services totaling \$5,000.

In fiscal 2006, 452,787 shares were issued for cash of \$78,500, 355,000 shares were issued to managing directors of Signature Devices, Inc. for cash totaling \$35,500, 797,728 shares were issued to non-affiliated individuals for services totaling \$379,350, 950,000 shares were issued for subscription agreements totaling \$246,000 and 40,633,333 shares were issued to employees as stock options totaling \$40,633.

In fiscal 2007, 552 preferred shares were issued for cash totaling \$276,000, 277,000 preferred shares were issued to Officers for services totaling \$72,020 and 2,245,155 common shares were issued to non-affiliated individuals for services totaling \$578,844. In addition, common shares were retired for managing directors Kenneth Hurley and Efrain Valdivia for 243,658,000 and 33,342,000 shares, respectively.

NOTE 9-SUBSEQUENT EVENTS

Subsequent to September 30, 2007, 250 preferred shares were issued to non-affiliated individuals for cash totaling \$125,000.

Subsequent to September 30, 2007, 1,025,000 common shares were issued to non-affiliated individuals for a 504 offering to:

- 10/25/07 Mazuma Holding Corp. 525,000 shares
- 10/30/07 Mazuma Holding Corp. 500,000 shares

On December 1, 2007 A.S. Austin returned 500,000 shares.