

**Corporate Report for AL International, Inc.**  
**Alternative Reporting Standard**  
**Quarterly Report for Quarter Ended September 30, 2011**  
**December 15, 2011**

**Section One: Issuers' Initial Disclosure Obligations**

**Part A General Company Information**

- I. Name of Issuer: AL International, Inc.  
Previous Names Used:
  - A. Wellness Lifestyles, Inc. was originally founded by Dr. Joel Wallach and Dr. Ma Lan on 11/22/1996. One year later, the entity began doing business as American Longevity, Inc.
  - B. In 2005, Wellness Lifestyles, Inc. d/b/a/ American Longevity, Inc. officially changed its name to American Longevity, Inc.
  - C. In April 2006, American Longevity, Inc. changed its name to AL Global Corporation d/b/a/ Youngevity® Essential Life Sciences.
  - D. Effective 7/11/11, the Issuer was formed through a merger, wherein Javalution Coffee Company acquired AL Global Corporation d/b/a/ Youngevity® Essential Life Sciences. After the merger, the parent company of Javalution Coffee Company reincorporated in Delaware and changed its name to AL International, Inc. on 8/1/11.
- II. The Issuer's principal executive offices are located at 2400 Boswell Road, Chula Vista, CA 91914.
  - A. Telephone: 619-934-3980; Fax: 619-934-5009
  - B. Websites maintained by or on behalf of the Issuer: [www.youngevity.com](http://www.youngevity.com), [www.myjavafit.com](http://www.myjavafit.com), [www.javafitbuilder.com](http://www.javafitbuilder.com), [www.javafitgivesback.com](http://www.javafitgivesback.com), [www.alintjcof.com](http://www.alintjcof.com)
  - C. To request information regarding the Issuer's investor relations, requests can be sent to AL International, Inc., c/o Investor Relations, 2400 Boswell Road, Chula Vista, CA 91914, telephone 619-934-3980, or via email to [shareholders@javalution.com](mailto:shareholders@javalution.com).
- III. The Issuer reincorporated in the State of Delaware and changed its name to AL International, Inc. on 8/1/2011.

**Part B Share Structure**

- IV. Title and class of securities outstanding:  
Common Stock (CUSIP # 01020Y109), trading under the stock symbol JCOF.PK;  
Series A Convertible Preferred Stock(no CUSIP).
- V. Par or stated value and description of the security:
  - A. Common Stock Par Value is \$0.001, Preferred Stock Par Value is \$0.001.
  - B. Common or Preferred Stock
    1. Holders of Common Stock have one vote per share on any matters brought to a vote of the shareholder stock, and will receive dividends on a pro rata basis if any dividends are declared by the company. No preemptive rights.
    2. The only class of preferred stock currently authorized is Series A 8% Convertible. Interest accrued is payable in cash or shares of common stock.

Series A converts into common stock at \$0.25 a share. Each share of Series A Convertible Preferred is convertible into two shares of common stock at the conversion rate of \$0.50 per share. No voting rights with respect to any matters concerning Common Stock.

3. No other material rights.
4. No provisions in the Certificate of Incorporation or by-laws that would delay, defer or prevent a change in control of the Company.

VI. Number of Shares

All shares and per share data reflect the 2-for-1 reverse stock split that became effective on July 11, 2011.

A. Common Stock

Period End Date:	Sept. 30, 2011	Dec. 31, 2010	Dec. 31, 2009
Shares Authorized:	600,000,000*	500,000,000	500,000,000
Shares Outstanding:	383,006,580**	152,923,425	116,337,620
Public Float:	59,746,635	45,885,061	12,909,866
No. Beneficial Holders:	2	2	2
Holders of Record***:	356	395	304

\* This figure reflects the change in the Company's authorized shares to 600,000,000 shares authorized post-merger.

\*\*This figure reflects the 2 for 1 Reverse Split announced on 7/11/11.

\*\*\* These figures have been confirmed as of 12/1/11.

B. Series A Convertible Preferred Shares

Period End Date:	Sept. 30, 2011	Dec. 31, 2010	Dec. 31, 2009
Shares Authorized:	100,000,000	100,000,000	100,000,000
Shares Outstanding:	351,135	376,135	1,558,700
Public Float:	0	0	152,000
No. Beneficial Holders:	0	0	0
Holders of Record:	11	12	31

- VII. The Issuer's Transfer Agent is Fidelity Transfer Company, 8915 South 700 East, Suite 102, Sandy, Utah 84070, (801) 562-1300. Fidelity Transfer Company is registered under the Exchange Act and the regulatory authority of the transfer agent is the Securities and Exchange Commission.

Part C Business Information

- VIII. The nature of the Issuer's business:

A. Business Development.

**Corporate Information**

AL International, Inc. (hereinafter referred to as the "Company," "we," "our," or "us") is a nutritional and coffee company dedicated to improving lifestyles through vibrant health and flourishing economics. Our Company was formed on July 11, 2011 through a merger, wherein

Javalution Coffee Company acquired AL Global Corporation d/b/a Youngevity® Essential Life Sciences for 560 million shares of common stock. Effectively, owners of AL Global Corporation became owners of 70% (fully diluted) of Javalution Coffee Company. Subsequently on August, 1, 2011, we reincorporated under the laws of the State of Delaware as a corporation and changed our name to AL International, Inc. Our principal executive offices are located at 2400 Boswell Road, Chula Vista, CA 91914 and our telephone number 619-934-3980. Our fiscal year end is December 31<sup>st</sup>.

## **Our Business**

Our goal is to provide health conscious consumers with nutritional and lifestyle solutions that will help them achieve their health and wellness goals. We offer more than 400 high quality, technologically advanced products, including: dietary supplements (mineral-based liquids, whey protein powders, capsules); sports nutrition; sports and energy drinks; health and wellness-related services; essential oils; skincare and cosmetics; lifestyle products (pets, spa and bath, garden); functional, fortified gourmet coffee; and telecommunications services.

Our nutritional, lifestyle, and telecommunications products and services are distributed through a global network of preferred customers and distributors. Our business is focused on producing revenue under our six subsidiaries: AL Global Corporation d/b/a Youngevity® Essential Life Sciences, CLR Roasters LLC, Youngevity Australia Pty. Ltd., Youngevity NZ Ltd., AL Corporation Holding Pte. Ltd. and DrinkACT Philippines, Inc.

Our coffee manufacturing division, CLR Roasters, was established in 2003. CLR Roasters produces coffees under its own Café LaRica brand, as well as under a variety of private labels, for sale through major national sales outlets and to major customers. CLR Roasters' main business is to produce private label coffee for its prestigious list of clients as well as produce coffee under its roster of Company-owned brands. It also markets a unique line of coffees with health benefits under the JavaFit® brand. JavaFit® is the leading brand in functional, fortified gourmet coffee and a leading developmental brand in ready to drink fortified coffee shakes with energy drink benefits.

Our Youngevity® Essential Life Sciences division, founded initially in 1996 as Wellness Lifestyles, Inc. by Dr. Joel Wallach, DVM, ND and Dr. Ma Lan, MS, MD, offers through relationship marketing more than 400 products to support a healthy lifestyle, including nutrition, gourmet coffee, weight management, and mineral makeup. In October 2011, Youngevity® merged with Financial Destination, Inc. (FDI), a seller of telecommunications and health and wellness-related services.

We have four foreign subsidiaries: Youngevity Australia Pty. Ltd., Youngevity NZ Ltd. (operating in New Zealand), AL Corporation Holding Pte. Ltd. (operating in Singapore), and DrinkACT Philippines, Inc. Our subsidiaries are vertically integrated as our CLR Roasters division produces the JavaFit® brand of coffee for Youngevity's vast distributor base.

## **CLR Roasters Business Information**

In regards to the coffee segment of our business, we are in our eighth year of business development. We began by developing our first fortified coffee, "Diet Plus," which targeted the

weight conscious consumer. Shortly after establishing market acceptance of our Diet Plus Coffee, we began developing additional fortified gourmet coffees.

The base product in our gourmet coffee is a blend of coffee beans that are of the highest quality available in the world. We utilize only choice Grade 1 beans from the world's finest coffee growing regions. We combine these beans with various nutrients and supplements that when blended together provide a great tasting cup of coffee that provides wellness functions. We market these coffees under the brand JavaFit®.

Fortified foods and beverages have gained wide acceptance on a worldwide basis and have experienced significant growth over the last several years. Many product categories are evaluating the entry into the fortified arena. We believe that the key to entry is to fortify a product that already has wide and, more importantly, daily use by consumers. We believe that with the wide and daily use of coffee by so many consumers, JavaFit's fortified gourmet coffee has significant market potential. To date, we have tried a number of distribution channels and a wide variety of advertising media. None of these distribution channels has generated sufficient revenues for us to operate profitably. Management has explored and evaluated multi-level marketing as an optimal distribution strategy for the JavaFit brand since 2007. We launched a Direct Sales Program approach in April 2009 and now, our Direct Selling Program has grown to over 4,500 signed affiliates.

#### **Youngevity® Essential Life Sciences Business Information**

Our Youngevity® division is dedicated to delivering nutritional and healthy lifestyle solutions to help people throughout the world live younger, longer. Established in 1997 and headquartered in Chula Vista, California, we offer a wide spectrum of high quality, technologically advanced wellness and personal care products designed to help health-conscious individuals achieve their health and lifestyle goals. Our products are distributed through our global direct marketing network.

#### *The Youngevity Family of Companies*

Since 2003, Youngevity® has sought to align itself with complementary network marketing companies that share our vision of improving health. With each new acquisition or partnership, we've been able to successfully and seamlessly integrate the new organization under a common vision, thereby enhancing the long term stability of our business and expanding growth opportunities for all of our distributors. Thus, Youngevity® is continuing on a path to deliver innovative and high quality products to health conscious individuals throughout the world.

#### *Youngevity Mission*

We've made it our mission to provide our customers with the accurate and thorough information they need to make sound decisions regarding their health. In fact, our efforts and unwavering commitment in this regard have resulted in an unprecedented achievement: We're the only direct marketing company to successfully petition the U.S. Food and Drug Administration to establish qualified health claims for selenium (the only mineral with a qualified health claim) and omega-3 essential fatty acids.

### *About Youngevity's Founder*

Our passion for health is a direct extension of our Founder, Dr. Joel D. Wallach, DVM, ND. A biomedical research pioneer, Dr. Wallach spent more than 40 years in the field of veterinary medicine, observing and researching the effects of individual nutrients on animal health, before becoming a naturopathic physician in 1982. Today, Dr. Wallach is highly regarded for his research on the health benefits of selenium and other minerals, and is fondly referred to by many as The Mineral Doctor and the Father of Liquid Mineral Supplementation. He currently dedicates his time to lecturing throughout the world on the therapeutic benefits of vitamins and minerals, and on lobbying the U.S. Food and Drug Administration on behalf of the dietary supplement industry.

### **AL International, Inc. Business Information**

We are a fast-growing, innovative, multi-dimensional company that offers a wide range of consumer products and services, primarily through person-to-person selling relationships that comprise a "network of networks." Our goal is to provide health conscious consumers innovative products to help achieve health and wellness on the inside and out. We offer a wide spectrum of product options that spans the following market segments:

- Dietary supplements (mineral-based liquids, whey protein powders, capsules)
- Sports nutrition
- Sports and energy drinks
- Health and wellness-related services
- Essential oils
- Skincare and cosmetics
- Lifestyle products (pets, spa and bath, garden)
- Functional, fortified gourmet coffee
- Telecommunications services

Our product line keeps expanding, driven by our commitment to offering a full-spectrum of integrated solutions to help our customers achieve a healthy and vibrant lifestyle!

### *Commitment to Quality*

Our satisfied customers know they can count on us to provide products of impeccable quality. They know that what's stated on the label is actually what's in the bottle. Our products are developed under the guidance of our Medical and Athletic Advisory Boards that include some of the most respected names in the fields of health, wellness and nutrition.

Our commitment to quality ensures that each product is:

- Formulated using the highest quality ingredients in state-of-the-art laboratories; and
- Manufactured according to the highest standards of quality. All consumable products are manufactured in facilities independently certified\* for Good

- Manufacturing Processes (GMP). \*GMP certification goes above and beyond the cGMP compliance standards set by the US Food and Drug Administration.
- Youngevity® is a certifying subscriber of the Organic Materials Review Institute (OMRI), a national non-profit organization that provides independent review of products intended for use in certified organic production, handling, and processing.

#### *Memberships*

- OMRI (Organic Materials Review Institute)
- BBB (Better Business Bureau)
- Brunswick Labs
- DSWA (Direct Selling Women's Alliance)
- CalChamber
- Natural Products Association
- Association of Network Marketing Professionals

The following 11 items are necessary to be in compliance with the Current Information OTC Market Tier:

1. The Issuer is a corporation formed in the state of Delaware.
2. The Issuer was originally formed under the name Wellness Lifestyles, Inc. on 11/22/96. The Issuer changed its name to American Longevity, Inc. in 2005 and in April 2006, to AL Global Corporation d/b/a/ Youngevity® Essential Life Sciences. On 7/11/11, AL Global Corporation merged with Javalution Coffee Company, a Florida corporation, whereby Javalution Coffee Company became the parent company of AL Global Corporation. Javalution Coffee Company changed its name to AL International, Inc. and was reincorporated in the state of Delaware on August 1, 2011.
3. The Issuer's fiscal year end date is December 31.
4. The Issuer has never been in bankruptcy, receivership or any similar proceeding.
5. On July 11, 2011, the Issuer was formed when Javalution Coffee Company entered into a merger with AL Global Corporation d/b/a Youngevity® Essential Life Sciences. The merger was endorsed and filed with the Secretary of State of California on July 11, 2011. The new overall parent corporation, Javalution Coffee Company, reincorporated in Delaware and changed its name to AL International, Inc. on August 1, 2011.
6. The Issuer has no defaults on the terms of a note, loan, lease, or other indebtedness or financing arrangement requiring the Issuer to make payments.
7. On July 11, 2011, the Issuer was formed when Javalution Coffee Company entered into a merger with AL Global Corporation d/b/a Youngevity® Essential Life Sciences. The merger was endorsed and filed with the Secretary of State of California on July 11, 2011. Officers and Directors have changed as a result of the merger.

8. Javalution Coffee Company, for the mechanics of the merger outlined in 5 and 7 above, increased its authorized shares to 1,000,000,000, of which 560 million shares were subsequently issued to the shareholders of AL Global Corporation. After reincorporation in Delaware and changing its name to AL International, Inc., the authorized shares of the Issuer were reduced to 600,000,000 at the completion of the split outlined in item 9 below.
9. On July 14, 2011, in accordance with the terms of the merger, Javalution Coffee Company, a Florida corporation, filed with FINRA and the State of Florida for a 2:1 reverse stock split. On August 1, 2011, the parent corporation, Javalution Coffee Company, reincorporated in Delaware and changed its name to AL International, Inc. Additionally, the Issuer will be pursuing additional acquisitions as part of its growth strategy. The additional acquisitions may or may not require the issuance of stock.
10. The Issuer has not had any delisting of its securities by any securities exchange or deletion from the OTC Bulletin Board; and
11. The Issuer has no material current, past, pending or threatened legal proceedings or administrative actions either by or against the Issuer that could have a material effect on the Issuer's business, financial condition, or operations and any current, past or pending trading suspensions by a securities regulator.

#### B. Business of Issuer.

We have four sales channels: direct sales, hospitality, convenience and grocery, and fundraising.

Our direct sales market is comprised of preferred customers and distributors that purchase our nutritional and lifestyle products and services, through a global "consumer cloud" of direct selling networks, from our subsidiary, Youngevity® Essential Life Sciences..

Our hospitality market consists of restaurants, cruise lines, and other hospitality organizations who purchase our Café La Rica coffee and other private label products, who then deliver them to their respective end-users and consumers. We sell to our hospitality market via our in-house sales force.

Our convenience and grocery market is primarily based around our CLR Roasters' private label coffee production. We roast and package coffee for many of today's well-known retail coffee brands as their private label products. We currently produce product for wholesalers like Best Coffee, Gourmet Cup and Diplomat Coffee as well as manufacture and distribute coffee and coffee accessories to LP Signature assisted living centers. In 2011, we launched two of our retail brands, Javalution and Josie's Java House. We believe this market will continue to play a role in our future growth.

Our fundraising market involves partnering with eFundraising.com, the largest fund raising company in North America, to offer custom brands of our products for use in school fundraisers. We believe this market allows us to give back to our local communities and hopefully, allow the end-recipients try our products so they may become our future customers.

As of July 15, 2010, we entered into a strategic alliance with Richmond Holdings Strategic Alliance. Richmond Holdings brings an experienced team of leaders to our sales initiatives, led by their chairman,

John Rochon, who is the former chairman of Mary Kay Cosmetics. As a result of the merger, Richmond Holdings has become more focused on future acquisitions and international expansion. Mr. Rochon holds a seat on our Board of Directors.

### **Direct Sales Market**

Direct sales or network marketing is a business-distribution model that allows a parent company to market its products directly to consumers by means of relationship referrals and direct selling. Independent, unsalaried salespeople of network marketing, referred to as distributors (or associates, independent business owners, dealers, sales consultants, consultants, independent agents, etc.), represent the parent company and are awarded a commission based upon the volume of product sold through each of their independent business operations.

Independent distributors develop their organizations by either building an active customer base, who buy direct from the parent company, or by recruiting a downline of independent distributors who also build a customer base, thereby expanding the overall organization. Additionally, distributors can also earn a profit by retailing products they purchased from the parent company at wholesale price. Distributors earn a commission based on the sales efforts of their organization, which includes their independent sale efforts as well as the leveraged sales efforts of their downline. Commissions are paid to network marketing distributors according to the company's compensation plan. There can be multiple levels of people receiving royalties from one person's sales. After investing significant dollars in software, web development, recruiting tools, and alternative packaging, we orchestrated a national launch of our JavaFit brand in July 2009. The JavaFit direct sales affiliate base has grown to over 4000 affiliates. The JavaFit brand is now being integrated into the Youngevity distributor base to streamline our distribution. Youngevity and Javafit have a combined total of approximately 50,000 active affiliates/distributors that distribute some 400 products throughout the United States and in 68 different countries.

### **Hospitality, Convenience and Grocery Markets**

In 2007, Javalution Coffee Company acquired a 50% stake in its coffee roaster. In October 2008, Javalution acquired an additional 10% of the roasting business and by September 1, 2009, the remaining interest in CLR Roasters was acquired by Javalution Coffee Company. We believe that our subsidiary, CLR Roasters, is a strategic investment for us and will help to maximize shareholder value. As we are able to sell Javalution products through our other subsidiary, Youngevity, we strongly feel vertical integration is an important step to controlling quality, growing revenue and servicing our customers.

Currently, CLR Roasters generates revenue with its product and roasting capabilities as follows:

#### *Retail*

Under CLR Roasters, we sell a proprietary brand of coffee known as Café La Rica. Café La Rica is an espresso sold in a 10 oz brick pack, packaging that has been vacuum sealed for long shelf life. This brand has proven customer demand and is currently sold in Wal-Mart, Winn-Dixie, and Albertsons. We service this market directly and through sales representatives. We expect further growth in our brick pack retail business distribution over the next several years and have received interest from both Navarro's and Sam's.



Additionally, we provide coffee for Carnival Cruise Lines, Costa Cruise Lines, Regent Cruise Lines, and Aldi Stores. We are exploring opportunities with other cruise lines and wellness centers to be their private label provider of ground coffee.

#### *Roasting Services*

Since our roasting capabilities are greater than our packaging capabilities, we market our roasting services to a number of distributors to take advantage of our excess roasting capacity. We roast coffee for a number of distributors and ship to them in 1,000 pound sacks called “Super Sacks.” Our distributors then package these roasted coffees (either whole bean or ground) with their own packaging equipment.

#### *Private Label Production*

We roast and package coffee for many of today’s well-known retail coffee brands as their private label producers. Our customers include wholesalers like Best Coffee, Gourmet Cup and Diplomat Coffee. We also manufacture and distribute coffee and coffee accessories to LP Signature assisted living centers.

The following 7 items are necessary to be in compliance with the Current Information OTC Market Tier:

1. The Issuer’s primary SIC Code is 5963, NAICS 454390.
2. The Issuer is currently conducting operations.
3. The Issuer has never at any time been a “shell company”.
4. The Issuer originally operated under two separate companies, Javalution Coffee Company and AL Global Corporation d/b/a Youngevity® Essential Life Sciences. Effective July 11, 2011, Javalution Coffee Company acquired AL Global Corporation d/b/a Youngevity® Essential Life Sciences through a reverse merger. On August 1, 2011, the parent company Javalution Coffee Company reincorporated in the State of Delaware and changed its name to AL International, Inc. The Issuer wholly owns six subsidiaries: AL Global Corporation d/b/a Youngevity® Essential Life Sciences, CLR Roasters LLC, Youngevity Australia Pty. Ltd., Youngevity NZ Ltd., AL Corporation Holding Pte. Ltd., and DrinkACT Philippines, Inc. These subsidiaries are included in the Issuer’s consolidated financial statements posted on [www.otcmarkets.com](http://www.otcmarkets.com) under the symbol JCOF.
5. There is no material effect of existing or probable governmental regulations on the Issuer’s business.
6. There were no material amounts spent during each of the last two fiscal years on research and development activities. No costs of any research and development activities are borne directly by customers.
7. The Issuer does not have any material costs related to compliance with environmental laws (federal, state and local).
8. Post-merger, the Issuer has 80 total and full-time employees.

#### IX. The nature of products and services distributed by Youngevity and CLR Roasters:

Our principal products are 400 different healthy and nutritional products marketed under Youngevity’s various brands and companies.

The majority all of sales are made through around 50,000 different and independent distributors through our network marketing organization. Our general customers or end-users are individuals

consuming the products for health benefits. This type of business is often referred as MLM or Multi-level Marketing. Therefore, we are not dependent on any few major customers.

## **Products**

Youngevity's number one product is Beyond Tangy Tangerine (BTT). As part of the Majestic Earth line, Dr. Wallach's core mineral supplement line, BTT contains a base of Majestic Earth Plant Derived Minerals blended with vitamins, amino acids, and other beneficial nutrients. Building on a foundation of our famous Beyond Juice Fruit and Veggie formulas, we've added even more nutrients to make this a balanced and complete daily supplement. Majestic Earth BTT is all-natural and contains no starch, wheat or yeast. As a "Natural Living Product," the color, taste, and consistency may vary from container to container. This product contains no artificial sweeteners or preservatives and is glycemic-friendly.

Our JavaFit brand has 11 different coffee products in various sizes.

We also manufacture and distribute our Café La Rica espresso in brick packs. We manufacture various size private label packages of all types of private label coffee.

As our distribution grows, we will likely continue to offer new and improved products to meet consumer demands and changing tastes.

## **Raw Materials**

Other than the coffee products produced through CLR Roasters, all of our products are manufactured by independent third parties. To achieve certain economies of scale, best pricing and uniform quality, we rely on a few principal suppliers, namely: Pacific Nutritional, Pharmachem, Nutrition Engineers, Alix Technologies and Wild Flavors.

## **Our JavaFit Brand and the Importance of Functional Foods**

"Functional foods" are commonly consumed food or drink products that have been enhanced by the addition of vitamins or other nutraceuticals to provide special nutritional benefits. Examples of other similar products in the marketplace include bottled fruit juice or water with added nutrients (i.e., Sobe®, VitaminWater®, Tazo®); orange juice fortified with calcium or breakfast cereals fortified with vitamins. Two of the most visible functional foods are (1) nutrition/sports bars, which deliver energy, fiber and nutritional ingredients in a convenient, easy to eat food form, and (2) functional beverages, which are enhanced with vitamins, calcium and other nutrients. We expect to see a proliferation of functional foods and beverages in the general marketplace, creating widespread awareness of their benefits.

We intend to use our unique JavaFit line of coffee products to develop a leading position within the coffee category of the fast growing "functional food" market, estimated to grow to be \$49 billion by decade's end. All JavaFit ground coffee is roasted and packaged at CLR Roasters, our own roasting plant. Our plant is currently operating at 30% of its roasting capacity and we already have additional roasting equipment in place that will allow us to double our roasting capacity as demand for Javafit grows. Our roasting operation is capable of producing regular and decaf coffee in ground coffee, espresso coffee, and in whole roasted beans.

## **Compliance with Government Regulations**

The manufacturing, processing, formulating, packaging, labeling, distributing, selling and advertising of our products are subject to regulation by one or more federal agencies. The most active regulation has been administered by The Food and Drug Administration (hereinafter the "FDA") which regulates our products pursuant to the Federal Food, Drug and Cosmetic Act (hereinafter the "FDCA") and regulations promulgated there under. In particular, the FDA regulates the safety, manufacturing, labeling and distribution of dietary supplements, including vitamins, minerals and herbs, food additives, food supplements, over-the-counter drugs and prescription drugs, medical devices and cosmetics. In addition, the Federal Trade Commission (hereinafter the FTC) has overlapping jurisdiction with the FDA to regulate the labeling, promotion and advertising of dietary supplements, over the counter drugs, cosmetics and foods.

Compliance with applicable FDA and any state or local statute is critical. Although we believe that we will be in compliance with applicable statutes, there can be no assurance that, should the FDA amend its guidelines or impose more stringent interpretations of current laws or regulations, we would be able to comply with these new guidelines. We are unable to predict the nature of such future laws, regulations, interpretations or applications, nor can we predict what effect additional governmental regulations or administrative orders, when and if promulgated, would have on our business in the future. These regulations could, however, require the reformation of our coffee to meet new standards, market withdrawal or discontinuation of certain products not able to be reformulated.

Advertising of dietary supplement products is subject to regulation by the FTC under the Federal Trade Commission Act (hereinafter the "FTCA"). Section 5 of the FTCA prohibits unfair methods of competition and unfair or deceptive trade acts or practices in or affecting commerce. Section 12 of the FTCA provides that the dissemination or the causing to be disseminated of any false advertising pertaining to drugs or foods, which would include dietary supplements, is an unfair or deceptive act or practice. Under the FTC's Substantiation Doctrine, an advertiser is required to have a "reasonable basis" for all objective product claims before the claims are made. Pursuant to this FTC requirement, we are required to have adequate substantiation of all material advertising claims made for our products.

## **Marketing Campaign**

Both Youngevity and JavaFit's acceptance in the marketplace relies on the strength and mass of our direct sales force. CLR Roasters relies on its internal sales force to market its products. Although we will support or direct marketing efforts with some target marketing, it has been proven that a direct marketing approach focused on word of mouth from our army of sales people will produce the greatest results.

## **Advertising, Public Relations and Trade Shows**

JavaFit in the News: We are in an exciting industry and our product will take advantage of free press and publicity wherever possible.

We have also paid for different types of media advertising. We have appeared in over 30 television spots including:

- WSVN – FOX, Miami,
- KTNV - ABC, Las Vegas
- KABC - ABC, Los Angeles.

We have appeared in various print magazines and publications including:

- Muscle & Fitness, Flex
- The New York Post, The Washington Post
- Florida Business Journal
- First for Women, Women's Health and Fitness
- The National Enquirer, Star Magazine
- Men's Edge, Outside Magazine
- Redbook , Upscale
- College Bound Teens

We take part in various trade shows with the goal of increasing brand awareness and credibility via grassroots marketing efforts including:

- Arnold Classic, Olympia
- NATSO (National Association of Truck Stops and Travel Centers)
- Regional Distribution Buyer Shows
- NAMA (National Automatic Merchandising Association)
- International Society of Sports Nutrition
- Coffee Services Show, Coffee Fest
- Power House Convention, Club Industry, IHRSA
- Boston Marathon, Miami Marathon, Austin Marathon, Los Angeles Marathon
- NACS (Nationals Association of Convenience Stores)
- National Association of Chain Drug Stores
- Specialty Coffee Association

## **Intellectual Property**

### *Patent Application (Pending approval with the USPTO)*

We filed a patent application with United States Patent Trademark Office (the "USPTO") for a patent entitled, "Nutrified Coffee Compositions." This patent application seeks to protect rights to our use of coffee as a nutrient and supplement delivery device and to protect certain of our proprietary product formulations. We have been assigned all right, title and interest in the intellectual property relating to the patent application, free and clear of any claims or rights to royalties.

### *Trademarks*

We have been granted the following United States trademarks:

- Youngevity
- Majestic Earth
- JavaFit

The duration of these marks varies, but it is our intent to continually maintain and renew as needed to continue and continually perfect these marks.

## **Competition**

The diet fitness and health food industries, as well as the food and drink industries in general, are highly competitive, rapidly evolving and subject to constant change. The number of competitors in the overall diet, fitness, health food, and nutraceutical industries is virtually endless. We expect that as our products establish a market niche, competition will arise from a variety of sources, from large multinationals like General Foods and Nestle, already in the coffee business, to the myriad of other smaller national and regional nutraceutical companies.

Many of our potential competitors have:

- greater financial, technical, personnel, promotional and marketing resources;
- longer operating histories;
- greater name recognition; and
- larger consumer bases than us.

We believe that existing industry competitors are likely to continue to expand their product offerings. Moreover, because there are few, if any, substantial barriers to entry, we expect that new competitors are likely to enter the “functional foods” and nutraceutical market and attempt to market a “functional food” or nutraceutical coffee products similar to our products, which would result in greater competition. We cannot be certain that we will be able to compete successfully in this extremely competitive market.

### **X. The nature and extent of the Issuer’s facilities:**

We operate our business at the following facilities:

1. Youngevity’s headquarters and distribution center is located in Chula Vista, California. The facility consists of a 58,000 square foot Class A single use building that is comprised 20% of office space and the balance is used for distribution. Our rent is approximately \$28,000 per month.

2. Roasting, distribution and operations for our CLR Roasters division are handled in our Miami, Florida based facility, which consists of 18,000 square feet that includes 2500 square feet of office space. This facility is leased for five years with a five year option. Our rent is approximately \$12,000 per month.

## **Employees**

Presently, we have eighty (80) full time employees. We believe that our current personnel are capable of meeting our operating requirements in the near term. We expect that as our business grows we may hire additional personnel to handle the increased demands on our operations and to handle some of the services that are currently being outsourced, such as brand management and sales efforts. We do not currently offer any fringe benefits plans, but we may offer such benefits as may be required to promote employee retention. None of our personnel is represented by a union.

## **Javalution Coffee Company Financings**

Since inception, Javalution Coffee Company has financed its operations through various types of financings including debt and equity. Some of these financings were self-underwritten, but in other transactions, Javalution relied on the services of registered broker dealers including Sandgrain Capital

and Joseph Stevens & Company. Prior to 2010, Javalution was able to secured net proceeds of approximately \$7,600,000 net of brokerage fees from various financings. On 7/28/10, Javalution secured an additional \$1,200,000 in financing. Since then and through the merger, Issuer has not required additional financing and none has been received. Some funds are received from time to time as warrant holders exercise their warrants. If all current outstanding warrants are exercised, Javalution and now AL International, Inc., will receive additional proceeds of approximately \$4,419,000 in financing and we will be required to issue approximately 11,367,000 shares of our common stock. AL International, Inc. will be responsible for issuing stock for the combined group.

#### Part D Management Structure and Financial Information

XI. The following information sets forth the names of our officers and director:

A. Officers and Directors:

1. Full Name:

- a. Dr. Joel Wallach, BS, DVM, ND
- b. Stephan Wallach
- c. David Briskie
- d. Michelle G. Wallach
- e. Christopher M. Nelson, CPA
- f. Vanessa Hunter
- g. Brent Jensen
- h. John Rochon

2. Business Address:

- a. The business address for each director listed above is: AL International, Inc., 2400 Boswell Road, Chula Vista, CA 91914.

3. Employment history:

1. **Dr. Joel Wallach BS DVM ND**

**Chairman of the Board**

A biomedical research pioneer, Dr. Joel D. Wallach, DVM, ND spent more than 40 years in the field of Veterinary Medicine, observing and researching the effects of individual nutrients on animal health, before becoming a Naturopathic Physician in 1982. Today, Dr. Wallach is renowned for his groundbreaking research on the health benefits of selenium and other minerals. He currently dedicates his time to lecturing throughout the world on the therapeutic benefits of vitamins and minerals, and on lobbying the U.S. Food and Drug Administration on behalf of the dietary supplement industry.

**Early Work.** Dr. Wallach has held key positions with leading zoos and universities in the United States and Africa, including Director of the Jacksonville Zoological Park in Jacksonville, Florida; Research Veterinarian for the South Africa National Parks Department (where he was a member of the famous "Operation Rhino" team); and Director of Research at the St. Louis Zoological Park in St. Louis, Missouri. At the request of Africa's National Parks and Wildlife Management Department, Dr. Wallach led an expedition to capture and mark elephants in the Wankie Game Preserve in Rhodesia as part of a migration study. He is one of the founders and a former editor of the Journal of Zoo Animal Medicine. A prolific author, he has published more than 70

scientific papers and six books, including the famous textbook, Diseases of Exotic Animals, still used today by leading veterinary schools, and on the Smithsonian Institute's recommended reading list for Zoological Garden and Aquarium libraries.

**Groundbreaking Research on Trace Minerals.** As a researcher at the Emory University Yerkes National Primate Center in Atlanta, Georgia in 1977, Dr. Wallach discovered the world's first known case of non-human cystic fibrosis in a selenium-deficient Rhesus monkey. At the time, cystic fibrosis was believed to be the result of a human genetic disorder. Dr. Wallach's monumental discovery set him on a 20-year path of research on the health benefits of selenium and other minerals. As a result of this work, he became known as The Mineral Doctor and the Father of Liquid Mineral Supplementation.

**The Founding of Youngevity®.** In 1997, Dr. Wallach and Dr. Ma Lan, MD, MS, founded American Longevity, the network marketing company known today as Youngevity®. Within five years the company had an international network of distributors and preferred customers plus offices in Canada, Australia, New Zealand, Singapore, South Africa, and Japan. Today Youngevity® is a network marketing leader providing high quality, innovative, and unique products health conscious consumers.

**First Amendment Advocate.** Dr. Wallach currently dedicates his time to lecturing throughout the world on the therapeutic benefits of vitamins and minerals, and on lobbying the U.S. Food and Drug Administration on behalf of the dietary supplement industry. His tireless efforts and dedication to the public's First Amendment rights to complete information on the therapeutic benefits of nutrition prompted the FDA to establish Qualified Health Claims for Selenium ("may reduce the risk of certain cancers") and Omega-3 Essential Fatty Acids ("may reduce the risk of coronary heart disease"). Only a few Qualified Health Claims exist, placing Youngevity® in a unique position among Dietary Supplement and Direct Marketing companies.

## 2. **Stephan Wallach**

## **CEO/Director**

With more than 15 years of sales and network marketing experience, Stephan Wallach, our Chief Executive Officer and Director, has successfully guided Youngevity® through at least 10 mergers and acquisitions, while managing the daily challenges of running a corporation. Mr. Wallach shares his father's passion for public access to complete and accurate health information. He is a frequent talk radio program guest and speaks eloquently about the company's mission to place information into the hands of consumers, allowing them to make informed healthcare decisions. His business philosophy reflects his strong belief that passion should be the driving force behind any organization, with flexibility and efficiency being key elements along the road to success in the business world. Having assembled a dynamic, talented, and experienced management team as well as solid infrastructure, Mr. Wallach has positioned our Company for steady growth both domestically and internationally.

## 3. **David Briskie    President of Commercial Development/ Director**

David Briskie initially joined Javalution Coffee Company in 2007 as its Chief Executive Officer and a member of its board of directors, and currently serves as President of Commercial

Development and Director. Prior to joining Javaluation, Mr. Briskie had an 18-year career with Drew Pearson Marketing ("DPM"), a consumer product company marketing headwear and fashion accessories. He began his career at DPM in 1989 as Executive Vice President of Finance and held numerous positions in the company, including vice president of marketing, chief financial officer, chief operating officer and president. During his tenure, DPM's annual sales reached \$70 million. In addition, DPM expanded its global position by adding offices in Dallas, New York, Hong Kong and Minnesota and by forming Drew Pearson International ("DPI"), which introduced the DPM products to fifteen European countries, Canada, Mexico, Latin America and Asia. From 1996 through 2006, Mr. Briskie served as Chief Executive Officer of DPM and DPI. He assisted those companies in obtaining multi-million dollar contracts and building relationships with companies such as Disney, Warner Brothers, the National Football League, the National Basketball Association, Major League Baseball, the National Hockey League, major universities, Anheuser Busch and General Motors. In 2001, Mr. Briskie orchestrated a merger of DPM and DPI with its key manufacturing partner, Mainland Headwear, and the merged company was taken public on the Hong Kong Stock Exchange. Mr. Briskie graduated magna cum laude from Fordham University with a double major in marketing and finance.

**4. Michelle G. Wallach**

**COO/Director**

Michelle Wallach has a vast background in network marketing, including more than 10 years in distributor management, and currently serves as our Chief Operating Officer and Director. Her career in network marketing began in 1991 in Portland, Oregon, where she developed a successful nutritional health product distributorship. In 1996 she moved to San Diego with the vision to expand her business and capitalize on the growing the health and nutrition industry. A year later, she and the Wallach family together launched Youngevity® in Chula Vista, California. As a hands-on manager, Ms. Wallach has an active role in promotion, convention and event planning, domestic and international training, and product development.

**5. Chris Nelson, CPA**

**Chief Financial Officer**

Chris Nelson is our Chief Financial Officer and a CPA in good standing with the state of California. He has more than 15 years of financial leadership experience, which he developed at KPMG LLP, Intuit Inc., and the City of San Diego. Mr. Nelson received his MBA and Master's Degree in Accounting from San Diego State University. Prior to joining Youngevity® and now AL International, Inc., Mr. Nelson served as the CFO of VOCEL, Inc. where he was honored as one of the finalists for 2009 CFO of the Year in the greater San Diego area. There, Mr. Nelson led the initiative to obtain legal FDA approval of a mobile technology at VOCEL called The Pill Phone™, a mobile medical application that helps individuals manage their medication.

**6. Vanessa Hunter**

**VP of Marketing**

With over seventeen years of experience in the Network Marketing industry, Vanessa Hunter brings wide-ranging, dynamic talent to our Youngevity® division as VP of Marketing. In addition to Marketing and Public Relations, she also oversees all aspects of Product Labeling, Collateral Materials, and Product Development. She is a member of our Special Events Committee and provides ongoing support, training, guidance and leadership to our distributors. Before joining Youngevity® and now AL International, Inc., Ms. Hunter served as Director of Product Development and Director of Public Relations at a consumer health company, where she developed an entire line of natural personal care products as well as the marketing program



that successfully launched the products on national television. Ms. Hunter is highly valued by our team for her resourceful, creative, enthusiastic style; her superior problem-solving skills; and her fair and sound decision-making abilities.

**7. Brent Jensen VP of Business Development**

Brent Jensen serves as our VP of Business Development, and brings more than sixteen years of experience in Network Marketing Sales and Management. He has been responsible for the management and development of a number of brands and organizations, ranging in size from \$20 million to over \$200 million. Prior to joining the Youngevity® and now AL International, Inc., Mr. Jensen was instrumental in co-founding and growing Agel Enterprises from \$0 to \$180 million in sales in just four years.

**8. John Rochon, Chairman of Richmond Holdings Director**

John Rochon serves on our Board and is founder and chairman of Richmond Holdings Strategic Alliance. Mr. Rochon is a veteran of more than three decades of successful leadership in finance, marketing, sales and operations. After spending the early part of his career working for Chesebrough-Ponds (Unilever) and Ecolab International, he joined Mary Kay Inc. in 1980. In 1984, he became chief financial officer.

Mr. Rochon was the architect of Mary Kay's management-led leveraged buyout in 1985, arranging the financing and executing the transaction. That leveraged buyout is regarded as one of the most successful in business history. During the following 16 years, the company's retail revenue grew from \$500 million to almost \$3 billion and Mary Kay became the world's best-selling brand of skin care & color cosmetics. Mr. Rochon became vice chairman in 1987 and chairman and CEO in 1991.

With Mr. Rochon as its General Partner, Richmond Capital Partners I became the largest shareholder in Avon Products, Inc., which subsequently experienced tremendous growth. Mr. Rochon has managed the growth of dozens of Richmond entities, in such varied industries as financial services, marketing, international trading, food services and office supplies.

Mr. Rochon holds a B.Sc. and an MBA from the University of Toronto and has written and spoken extensively on topics relating to business strategy. He is a member of the School of Administration Advisory Board of the University of Texas at Dallas and is a past trustee of the University of Scranton and serves on The President's International Alumni Council of the University of Toronto.

Mr. Rochon established and heads the Rochon Family Foundation to assist victims of violence against women, particularly sexual assault.

## Employment and Professional Agreements

Securities owned or controlled by our directors after to the 2 for 1 reverse split that took place on 7/11/11:

John Rochon: 5,000,000 Common

Dave Briskie: 7,596,950 Common, 70,000 Preferred

Stephan Wallach: 280,000,000 Common

Ms. Michelle G. Wallach: 280,000,000 Common beneficially owned through Stephan Wallach

### 4. Board memberships and other affiliations:

#### a. John Rochon is a member of the following boards:

Black Creek Holdings, Inc.	Officer, Director
Cedar Creed Investment, LLC	Manager, member
Envirosmart, Inc.	Officer, Director
Happenings Communications Group, Inc.	Officer, Director, Shareholder
International Communciation Materials, Inc.	Officer, Director
Jameson Bank	Director
Johnick RD Holding Corp.	Officer, Director
John Rochon Family Partnership, LP	Limited Partner
John Rochon Management, Inc.	Officer, Director, Shareholder
Lasting Impressions, Inc.	Officer, Director
NuKote, Inc.	Officer, Director
Obsidian Arrowpoint, Ltd.	Officer, Director
Oxygenline, Ltd.	Director
Richmont Aviation, Inc.	Officer, Director, Shareholder
Richmont Creations, Inc.	Director
Richmont Corporation	Director, Shareholder
Richmont Direct LLC	Officer, Director, Member
Richmont Family Partnership Management, Inc.	Officer, Director
Richmont Global Unlimited, Inc.	Officer, Director
Richmont Holdings, Inc.	Director, Shareholder
Richmont Investment Management, Inc.	Director
Richmont Media, Inc.	Officer, Director, Shareholder
Richmont Financial, LLC	Officer, Director, Shareholder
Richmont Trading Corporation	Director, Shareholder
Richmont Real Estate, Inc.	Officer, Director Shareholder
The Rochon Family Foundation	Officer, Director, Member

No other officer or director serves on the board of any other entity.

### 5. Compensation by Issuer

#### a. Dr. Joel Wallach, BS, DVM, ND receives no annual compensation from the

Issuer.

- b. Mr. Stephan Wallach receives annual compensation of \$260,000.
- c. Mr. David Briskie receives annual compensation of \$135,000.
- d. Ms. Michelle G. Wallach receives annual compensation of \$16,800.
- e. Mr. Christopher M. Nelson, CPA receives annual compensation of \$150,000.
- f. Ms. Vanessa Hunter receives annual compensation of \$100,000.
- g. Mr. Brent Jensen receives annual compensation of \$150,000.
- h. Mr. John Rochon receives no annual compensation from the Issuer.

Stephan Wallach, David Briskie, and Michelle Wallach have direct and/or indirect (beneficially) distributor positions in the company that pay income based on the performance of those distributor positions and the people and/or companies supporting those positions based upon the contractual agreements that each and every distributor enter into upon engaging in the network marketing business. The Board of Directors has approved these positions. The contractual terms of these positions are the same contractual terms as all the other individuals that become distributors in the company. There are no special circumstances for these officers/directors. Mr. & Mrs. Wallach received or beneficially received \$167,744 for the complete year of 2010. Mr. Briskie received or beneficially received \$3,839 for the complete year of 2010.

6. Number and class of the Issuer's securities beneficially owned by each such person

- a. Dr. Joel Wallach beneficially owns 0 shares of the Issuer's stock.
- b. Mr. Stephan Wallach owns 280,000,000 shares of common stock.
- c. Mr. David Briskie owns 7,596,950 shares of common stock and 70,000 shares of preferred stock.
- d. Ms. Michelle G. Wallach beneficially owns 280,000,000 shares of common stock, through shares owned by her husband, Mr. Stephan Wallach.
- e. Mr. Christopher Nelson owns 0 shares of the Issuer's stock.
- f. Ms. Vanessa Hunter owns 0 shares of the Issuer's stock.
- g. Mr. Brent Jensen owns 0 shares of the Issuer's stock.
- h. Mr. John Rochon beneficially owns 5,000,000 shares of common through Rochon Capital Partners Ltd.

Directors

Our bylaws provide that the Board of Directors shall consist of such number as may be fixed from time to time by resolution of the Board of Directors. The directors need not be stockholders. Presently, Mr. Stephan Wallach, Mr. Dave Briskie, Mr. John Rochon, Ms. Michelle Wallach and Dr. Joel Wallach (Chairman of the Board) are our directors.

Term of Office

Our directors hold office until their successors are elected and qualified or until their earlier resignation or removal. Our officers are appointed by our Board of Directors and hold office until removed by the Board.

- B. There is no Legal/Disciplinary History with respect to any identified Officers/Directors.

- C. Dr. Joel Wallach is the father of Stephan Wallach and father-in-law of Michelle Wallach. Stephan Wallach and Michelle Wallach are husband and wife. There are no other family relationships between or among the directors, executive officers or persons nominated or chosen by our stockholders or us to become directors or executive officers.
- D. We conduct a review of all related party transactions for potential conflict of interest situations on an ongoing basis and all such transactions relating to executive officers and directors must be approved by disinterested members of our Board of Directors. On May 1, 2001, we entered into a lease agreement with Wallach Family Trust, an entity controlled by Dr. Joel Wallach to lease our corporate headquarters at 2400 Boswell Road, Chula Vista, CA 91914 for \$28,500 per month. The lease was assigned to 2400 Boswell LLC, a single member LLC currently owned by Stephan Wallach, our Chief Executive Officer and Director, in 2006. The lease expires April 30, 2021.
- E. Other than as notated above, there are no conflicts of interest to disclose.
- XII. Such financial statements are incorporated by reference to filings posted on otcmarkets.com under the symbol JCOF
- XIII. Such financial statements are incorporated by reference to filings posted on otcmarkets.com under the symbol JCOF
- XIV. Beneficial Owners:
- Cede & Co. – 50,477,808 shares (13.19%) Depository Trust Co otherwise known as DTC
- Stephan R Wallach 280,000,000 common shares (73.18%).
- Michelle Wallach 280,000,000 common shares beneficially owned through Stephan R. Wallach (73.18%).
- XV. Name, address, telephone number, and email address of each of the following:
- A. Investment Banker: NA
- B. Promoters: NA
- C. Counsel: Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C., Eddie Rodriguez, 3580 Carmel Mountain Road, Suite 300, San Diego, CA 92130 T: (858) 314-1527 F: (858) 314-1501, [ERodriguez@mintz.com](mailto:ERodriguez@mintz.com).  
OTC Markets Counsel: Trombly Business Law, PC, Amy Trombly, 1320 Centre Street, Suite 202, Newton, MA 02459 T: (617) 243-0060 F: (617) 243-0066, [amy@tromblybusinesslaw.com](mailto:amy@tromblybusinesslaw.com).
- D. Auditor: Mayer Hoffman & McCann P.C., David Diamond, 10616 Scripps Summit Court, Suite #100, San Diego, CA 92131. (858) 795-2053, [ddiamond@cbiz.com](mailto:ddiamond@cbiz.com); Providing Auditing services.
- E. Public Relations: NA
- F. Investor Relations: NA
- G. Other advisors: NA

## XVI. MANAGEMENT'S DISCUSSION AND ANALYSIS

### A. Operations to Date

We have incurred significant operating losses to date and the company has a significant loss carry forward. These losses are directly attributable to the fact that we were required to spend significant sums of money developing and testing our product, conducting market research, identifying proper channels of distribution, traveling to trade shows and taking such steps as necessary in order for us to bring our product to market.

Comparative financials for the 12 month reporting period ended December 31, 2010, and December 31, 2009 are as follows:

- Net sales were \$3,550,399 versus \$3,543,229
- Cost of sales were \$2,855,369 versus \$2,667,649
- Gross profit/(loss) was \$695,030 versus \$875,580
- Operating expenses were \$2,318,383 versus \$3,840,639
- Income/(loss) from operations were \$(1,623,353) versus \$(2,965,059)
- Net income/(loss) was \$(1,623,353) versus \$(4,384,925)

Comparative financials for the 3 month reporting period ended September 30, 2011, and September 30, 2010 are as follows:

- Net sales were \$10,530,738 versus \$718,597
- Cost of sales were \$2,831,552 versus \$468,359
- Gross profit/(loss) was \$7,699,186 versus \$250,238
- Operating expenses were \$7,466,931 versus \$642,214
- Income/(loss) from operations were \$232,255 versus \$(391,976)
- Net income/(loss) was \$132,853 versus \$(421,537)

The comparative financials discussed above show the Issuer reporting separately during the periods prior to the merger on 7/11/11 and as a consolidated group after the merger for the period ended September 30, 2011, only.

### B. Management Discussion

Our core business model is to more fully become the premier Direct Sales company in the world. We are focused on plans to spend millions to upgrade our systems and redefine our marketing message, so that everybody will believe that there is not a better Network Marketing company out there. We expect

to continue to execute our distributor network or multiple revenue streams from thousands of independent distributors that currently market the Youngevity, JavaFit, and other brands in our network marketing organization. We also have commercial sales through our roasting unit CLR Roasters.

Additionally, to becoming the premier direct sales company in the world, we will focus on continual international expansion. We have been in more than 50 countries for years, most through the "Not-for-Resale" only market. Recently, we have incorporated in two more Asian countries and development of those markets continues to give initial success.

Since the merger, we have also welcomed into the family a few new companies, through acquisition. Shortly after the end of our third quarter, we acquired Financial Destination, Inc. (FDI). The acquisition was our largest to date based on overall sales volume. Other acquisitions include R Garden, completed on 7/1/11, and Adaptogenix, completed on 8/22/11. We believe these groups of network marketers and unique product lines will enhance the overall experience and growth of AL International, Inc.

- C. There are no Off-Balance Sheet Arrangements. We currently have no off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

#### Part E Issuance History

List of securities offerings and shares issued for services in the past two years

9/27/2007

- i. Rule 506
- ii. CO, FL, NY, MN, TX, GA, AL, IL, NC, CA, NJ
- iii. Up to \$4,000,000 of our Series A Convertible Preferred Shares offered @ \$1.00 per share
- iv. 1,292,565
- v. \$1.00 per share, \$1,292,565
- vi. Shares were not trading at the time of the offering
- vii. Yes all securities were issued with restriction

6/9/2008

- viii. Rule 506
- ix. FL, MT, TX, AR, CT, NY
- x. Offering 20 Units, each unit consisting of \$50,000 shares of our Series A Convertible Preferred Shares and 50,000 Common Stock Purchase Warrants, total offering \$1,000,000
- xi. 240,000
- xii. \$50,000 per unit, \$240,000
- xiii. Shares were not trading at the time of the offering
- xiv. Yes all securities were issued with restriction

2/13/2009

- xv. Rule 506
- xvi. FL, NY, CA, VA, TX, IL, WI, NV, NJ
- xvii. Offering 40 Units, each unit consisting of a \$25,000 Debenture and 2,500 Common Stock Purchase Warrants, \$25,000 per Unit, Total Offering: \$1,000,000
- xviii. 28,407,014

- xix. \$25,000 per unit, \$1,215,000
- xx. Shares were not trading at the time of the offering
- xxi. Yes all securities were issued with restriction

7/11/2011

- xxii. Issued 280,000,000 (post-split) restricted shares of Common Stock to Stephan Wallach in exchange for all outstanding shares of AL Global Corporation

Warrants: The Company has 15,845,787 warrants issued that have not yet been exercised. The warrants were issued in the years and amounts as outlined below:

2011:	3,361,925
2010:	3,623,941
2009:	2,960,303
Prior Yrs:	5,999,618

#### Part F Exhibits

- 18 Material Contracts: We have thousands of contracts with our distributors and no one of those contracts is material. We buy our raw materials from dozens of vendors using purchase orders. If any of our vendors were to cancel a purchase order or go out of business, we believe we could replace that vendor with the same or similar terms as the purchase orders we have now. Therefore, we do not believe any one of our vendor purchase orders are material.
- 19 Articles of Incorporation and Bylaws: The Issuer's articles of incorporation and bylaws are attached to this Quarterly Report.
- 20 Purchases of Equity Securities by the Issuer and Affiliated Purchasers: NA
- 21 Issuer Certifications: See attached Exhibit B that contains the Issuer's Certification.

# Delaware

PAGE 1

*The First State*

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "AL INTERNATIONAL, INC.", FILED IN THIS OFFICE ON THE FIFTEENTH DAY OF JULY, A.D. 2011, AT 4:16 O'CLOCK P.M.

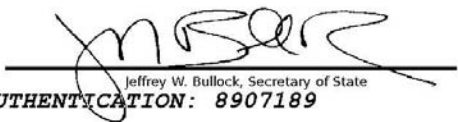
A FILED COPY OF THIS CERTIFICATE HAS BEEN FORWARDED TO THE NEW CASTLE COUNTY RECORDER OF DEEDS.

5011400 8100

110827791

You may verify this certificate online  
at [corp.delaware.gov/authver.shtml](http://corp.delaware.gov/authver.shtml)



  
Jeffrey W. Bullock, Secretary of State  
AUTHENTICATION: 8907189

DATE: 07-18-11



State of Delaware  
Secretary of State  
Division of Corporations  
Delivered 04:29 PM 07/15/2011  
FILED 04:16 PM 07/15/2011  
SRV 110827791 - 5011400 FILE

CERTIFICATE OF INCORPORATION  
OF  
AL INTERNATIONAL, INC.

AL International, Inc. (the "Corporation"), a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

FIRST: The name of the Corporation is AL International, Inc.

SECOND: The address of its registered office in the State of Delaware is to be located at The Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle. The name of its registered agent at such address is The Corporation Trust Company.

THIRD: The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of Delaware.

FOURTH: The total number of shares of stock that the Corporation is authorized to issue is SIX HUNDRED MILLION (600,000,000) shares of common stock, par value \$.001 per share (the "Common Stock"), and ONE HUNDRED MILLION (100,000,000) shares of preferred stock, par value \$.001 per share (the "Preferred Stock").

The Preferred Stock may be issued by the Board of Directors of the Corporation in one or more classes or one or more series within any class and such classes or series shall have such voting powers, full or limited, or no voting powers, and such designations, preferences, limitations or restrictions as the Board of Directors of the Corporation may determine, from time to time.

Shares of stock may be issued from time to time as the Board of Directors shall determine and on such terms and for such consideration as shall be fixed by the Board of Directors.

The holders of the Common Stock are entitled to one vote for each share held at all meetings of stockholders (and written actions in lieu of meetings). There shall be no cumulative voting.

FIFTH: Series A Convertible Preferred Stock. Holders of our Series A Convertible Preferred Stock ("Series A Convertible Preferred") shall be entitled to receive a cumulative dividend at a rate of 8.0% per year, payable annually, in cash or shares of the Corporation's common stock at the Corporation's election. Each share of Series A Convertible Preferred shall be convertible into two shares of the Corporation's common stock at the conversion rate of \$.50 per share.

(1) Dividends

(a) Regular Dividends. Each holder (a "Holder" and collectively, the "Holders") of the Series A Convertible Preferred shall be entitled to receive dividends at the specified rate. Such dividends shall be cumulative from (and including) such Series A Convertible Preferred's issuance date and shall accrue daily, whether or not earned or declared, thereafter until paid and be calculated on the basis of a 360 day year. Dividends shall be payable in cash; provided, however, that in lieu of paying such dividends in cash, the Corporation may, at its option, pay any or all of such dividends by delivery of a number of shares Corporation common stock valued at \$.50 per share subject to adjustment as set forth herein.

(b) Participating Dividends. In the event any dividend or other distribution payable in cash or other property is declared on the Common Stock, such Holder on the record date for such dividend or distribution shall be entitled to receive per Series A Convertible Preferred share on the date of payment or distribution of such dividend or other distribution the amount of cash or property that would be received by the Holders of the number of shares of Common Stock into which such Series A Convertible Preferred share would be converted pursuant to this Section 1(b) immediately prior to such record date.

(c) Holder's Conversion Right. Subject to the terms and conditions set forth herein, and any time or times on or after the issuance date, any Holder of Series A Convertible Preferred shall be entitled to convert any whole number of Series A Convertible Preferred shares into two (2) fully paid and nonassessable shares of Common Stock. The Corporation shall not issue any fractional shares of Common Stock upon any conversion. All shares of Common Stock (including fractions thereof) issuable upon conversion of more than one Series A Convertible Preferred share by a Holder thereof shall be aggregated for purposes of determining whether the conversion would result in the issuance of a fraction of a share of Common Stock, the Corporation shall round such fraction of a share of Common Stock up to the nearest whole share.

(d) Taxes. The Corporation shall pay any and all taxes that may be payable with respect to the issuance and delivery of Common Stock upon the conversion of Series A Convertible Preferred shares.

(e) Adjustments to Conversion Price and Number of Shares to be Received. The share conversion for the holders of the Series A Convertible Preferred will be subject to adjustment from time to time as provided in this Section.

(i) Adjustment in Number of Shares to be received upon Subdivision of Combination of Common Stock. If the Corporation at any time subdivides (by any stock split, stock dividend, recapitalization or otherwise) one or more classes of its outstanding shares of Common Stock into the greater number of shares, the conversion ratios will be adjusted proportionately increased. If the Corporation at any time combines (by combination, reverse stock split or otherwise) one or more classes of its outstanding shares of Common Stock into a smaller number of shares, the conversion rate in effect immediately prior to such combination will be proportionately increased.

(2) Reservation of Shares.

(a) Authorized and Reserved Amount. The Corporation shall, at all times so long as any of the Preferred Shares are outstanding, reserve and keep available out of its authorized and unissued Common Stock, solely for the purpose of effecting the conversion of the Series A Convertible Preferred, such number of shares (the "Reserved Amount") of Common Stock as shall from time to time be sufficient to effect the conversion of all the Series A Convertible Preferred. The initial number of shares of Common Stock reserved for conversion of the Series A Convertible Preferred shares and each increase in the number of shares so reserved shall be allocated pro rata among the Holders of the Series A Convertible Preferred shares based on the number of Series A Convertible Preferred shares held by each Holder at the time of issuance of the Series A Convertible Preferred shares or increase in the number of reserved shares, as the case may be. In the event a Holder shall sell or otherwise transfer any of such Holder's Series A Convertible Preferred shares, each transferee shall be allocated a pro rata portion of the number of reserved shares of the Common Stock reserved for such transferor. Any shares of Common Stock reserved and allocated to any Person which ceases to hold any Series A Convertible Preferred shares shall be allocated to the remaining Holders of Series A Convertible Preferred, pro rata based on the number of Series A Convertible Preferred shares then held by such Holders.

(3) Voting Rights.

Holders of our Series A Convertible Preferred shall have no voting rights, except as required by law, including but not limited to the General Corporation Law of the State of Delaware and as expressly provided herein.

(4) Liquidation, Dissolution, Winding-up.

In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation, the holders of the Series A Convertible Preferred shall be entitled to receive in cash out of the assets of the Corporation, whether from capital or from earnings available for distribution to its stockholders, before any amount shall be paid to the holders of the Common Stock.

(5) Preferred Rank.

All shares of Common Stock shall be junior rank to all Series A Convertible Preferred shares in respect in the preferences as to distribution and payments upon the liquidation, dissolution and winding up of the Corporation. The rights of the shares of Common Stock shall be subject to the preferences and relative rights of the Series A Convertible Preferred shares.

(6) Denial of Preemptive Rights. No holder of any shares of the Corporation of any class now or in the future authorized shall have any preemptive right as such holder (other than such right, any, as the board of directors in its discretion may determine) to purchase or subscribe for any additional issues of shares of the Corporation of any class now or in the future authorized.

SIXTH: The name and mailing address of the sole incorporator is as follows:

<u>NAME</u>	<u>MAILING ADDRESS</u>
Leslie Marlow	c/o Gracin & Marlow, LLP The Chrysler Building 405 Lexington Avenue, 26 <sup>th</sup> Floor New York, New York 10174

SEVENTH: The Corporation may not amend this Certificate of Incorporation, or participate in any reorganization, sale or transfer of assets, consolidation, merger, dissolution, issue or sale of securities or any other voluntary action for the purpose of avoiding or seeking to avoid the observance or performance of any of the terms to be observed or performed hereunder by the Corporation, but shall at all times in good faith use its best efforts, and assist in carrying out all such action as may be reasonably necessary or appropriate in order to protect the conversion rights of the holders of the shares of preferred stock set forth hereinabove.

EIGHTH: Meetings of stockholders may be held within or without the State of Delaware, as the bylaws may provide. The books of the Corporation may be kept (subject to any provisions contained in the statutes) outside the State of Delaware at such place or places as may be designated from time to time by the Corporation's Board of Directors or in the bylaws of the Corporation. Elections of directors need not be by written ballot unless the bylaws of the Corporation shall so provide.

NINTH: Whenever a compromise or arrangement is proposed between the Corporation and its creditors or any class of them and/or between the Corporation and its stockholders or any class of them, any court of equitable jurisdiction within the State of Delaware may, on the application in a summary way of the Corporation or of any creditor or stockholder thereof or on the application of any receiver or receivers appointed for the Corporation under the provisions of section 291 of Title 8 of the Delaware General Corporation Law or on the application of trustees in dissolution or of any receiver or receivers appointed for the Corporation under the provisions of section 279 of Title 8 of the Delaware General Corporation Law order a meeting of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, to be summoned in such manner as the said court directs. If a majority in number representing three-fourths in value of the creditors or class of creditors, and/or of the stockholders or class of stockholders of the Corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of the Corporation as a consequence of such compromise or arrangement, the said compromise or arrangement and the said reorganization shall, if sanctioned by the court to which the said application has been made, be binding on all the creditors or class of creditors, and/or on all the stockholders or class of stockholders, of the Corporation, as the case may be, and also on the Corporation.

TENTH: The Corporation shall to the fullest extent permitted by section 145 of the Delaware General Corporation Law, as the same may be amended or supplemented, or by any successor thereto, indemnify and reimburse any and all persons whom it shall have the power to indemnify under said section from and against any and all of the expenses, liabilities or other matters referred to in, or covered by said section. Notwithstanding the foregoing, the

indemnification provided for in this Article Seventh shall not be deemed exclusive of any other rights to which those entitled to receive indemnification or reimbursement hereunder may be entitled under any bylaw of the Corporation, agreement, vote of stockholders or disinterested directors or otherwise.

ELEVENTH: No director of the Corporation shall be personally liable to the Corporation or any of its stockholders for monetary damages for breach of a fiduciary duty as a director, except for liability: (i) for any breach of a director's duty of loyalty to the Corporation or its stockholders; (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law; (iii) under section 174 of the Delaware General Corporation Law as the same exists or hereafter may be amended; or (iv) for any transaction from which the director derived an improper benefit. If the Delaware General Corporation Law hereafter is amended to authorize the further elimination or limitation of the liability of directors, then liability of a director of the Corporation, in addition to limitation on personal liability provided herein, shall be limited to the fullest extent permitted by the amended Delaware General Corporation Law. Any repeal or modification of this Article Eighth by the stockholders of the Corporation shall be prospective only, and shall not adversely affect any limitation on the personal liability of directors of the Corporation existing at the time of such repeal or modification.

This Certificate of Incorporation is being signed on July 15, 2011.

A handwritten signature in cursive script that reads "Leslie Marlow".

\_\_\_\_\_  
Leslie Marlow, Sole Incorporator

## **BY-LAWS**

### **OF**

**AL International, Inc.**

## **ARTICLE I**

### **STOCKHOLDERS**

**Section 1.1** Annual Meetings. An annual meeting of stockholders shall be held for the election of Directors at such date, time and place either within or without the State of Delaware as may be designated by the Board of Directors from time to time. Any other proper business may be transacted at the annual meeting.

**Section 1.2** Special Meetings. Special meetings of stockholders may be called at any time by the Chairman of the Board, if any, the Vice Chairman of the Board, if any, or the President to be held at such date, time and place either within or without the State of Delaware as may be stated in the notice of the meeting. A special meeting of stockholders shall be called by the Secretary upon the written request, stating the purpose of the meeting, of stockholders who together own of record a majority of the outstanding shares of each class of stock entitled to vote at such meeting.

**Section 1.3** Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a written notice of the meeting shall be given which shall state the place, date and hour of the meeting, and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the written notice of any meeting shall be given not less than ten nor more than sixty days before the date of the meeting to each stockholder entitled to vote at such meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation.

**Section 1.4** Adjournments. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty days, or if after the adjournment a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting.

**Section 1.5 Quorum.** At each meeting of stockholders, except where otherwise provided by law or the certificate of incorporation or these by-laws, the holders of a majority of the outstanding shares of each class of stock entitled to vote at the meeting, present in person or represented by proxy, shall constitute a quorum. For purposes of the foregoing, two or more classes or series of stock shall be considered a single class if the holders thereof are entitled to vote together as a single class at the meeting. In the absence of a quorum the stockholders so present may, by majority vote, adjourn the meeting from time to time in the manner provided by Section 1.4 of these by-laws until a quorum shall attend. Shares of its own capital stock belonging on the record date for the meeting to the Corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of such other corporation is held, directly or indirectly, by the Corporation, shall neither be entitled to vote nor be counted for quorum purposes; provided, however, that the foregoing shall not limit the right of the Corporation to vote stock, including but not limited to its own stock, held by it in a fiduciary capacity.

**Section 1.6 Organization.** Meetings of stockholders shall be presided over by the Chairman of the Board, if any, or in the absence of the Chairman of the Board by the Vice Chairman of the Board, if any, or in the absence of the Vice Chairman of the Board by the President, or in the absence of the President by a Vice President, or in the absence of the foregoing persons by a chairman designated by the Board of Directors, or in the absence of such designation by a chairman chosen at the meeting. The Secretary, or in the absence of the Secretary an Assistant Secretary, shall act as secretary of the meeting, but in the absence of the Secretary and any Assistant Secretary the chairman of the meeting may appoint any person to act as secretary of the meeting.

**Section 1.7 Voting; Proxies.** Unless otherwise provided in the certificate of incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder which has voting power upon the matter in question. If the certificate of incorporation provides for more or less than one vote for any share on any matter, every reference in these by-laws to a majority or other proportion of stock shall refer to such majority or other proportion of the votes of such stock. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A duly executed proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or another duly executed proxy bearing a later date with the Secretary of the Corporation. Voting at meetings of stockholders need not be by written ballot and need not be conducted by inspectors unless the holders of a majority of the outstanding shares of all classes of stock entitled to vote thereon present in person or by proxy at such meeting shall so determine. At all meetings of stockholders for the election of directors a plurality of the votes cast shall be sufficient to elect. With respect to other matters, unless otherwise provided by law or by the certificate of incorporation or these by-laws, the affirmative vote of the holders of a majority of the shares of all classes of stock present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of

the stockholders, provided that (except as otherwise required by law or by the certificate of incorporation) the Board of Directors may require a larger vote upon any such matter. Where a separate vote by class is required, the affirmative vote of the holders of a majority of the shares of each class present in person or represented by proxy at the meeting shall be the act of such class, except as otherwise provided by law or by the certificate of incorporation or these by-laws.

**Section 1.8** Fixing Date for Determination of Stockholders of Record. In order that the Corporation may determine the stockholders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof, or to express consent to corporate action in writing without a meeting, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix, in advance, a record date, which shall not be more than sixty nor less than ten days before the date of such meeting, nor more than sixty days prior to any other action. If no record date is fixed: (1) the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; (2) the record date for determining stockholders entitled to express consent to corporate action in writing without a meeting, when no prior action by the Board is necessary, shall be the day on which the first written consent is expressed; and (3) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the Board adopts the resolution relating thereto. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for the adjourned meeting.

**Section 1.9** List of Stockholders Entitled to Vote. The Secretary shall prepare and make, at least ten days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting, either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or, if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof and may be inspected by any stockholder who is present.

**Section 1.10** Consent of Stockholders in Lieu of Meeting. Any action required by law to be taken at any annual or special meeting of stockholders of the Corporation, or any action which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted. Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent shall be given to those stockholders who have not consented in writing.

## ARTICLE II

### **BOARD OF DIRECTORS**

**Section 2.1** Powers; Number; Qualifications. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, except as may be otherwise provided by law or in the certificate of incorporation. The Board shall consist of one or more members, the number thereof to be determined from time to time by the Board. Directors need not be stockholders.

**Section 2.2** Election; Term of Office; Resignation; Removal; Vacancies. Each director shall hold office until the annual meeting of stockholders next succeeding his or her election and until his or her successor is elected and qualified or until his or her earlier resignation or removal. Any director may resign at any time upon written notice to the Board of Directors or to the President or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein no acceptance of such resignation shall be necessary to make it effective. Any director or the entire Board of Directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors; except that, if the certificate of incorporation provides for cumulative voting and less than the entire Board is to be removed, no director may be removed without cause if the votes cast against his or her removal would be sufficient to elect him or her if then cumulatively voted at an election of the entire Board, or, if there be classes of directors, at an election of the class of directors of which he or she is a part. Whenever the holders of any class or series of stock are entitled to elect one or more directors by the provisions of the certificate of incorporation, the provisions of the preceding sentence shall apply, in respect to the removal without cause of a director or directors so elected, to the vote of the holders of the outstanding shares of that class or series and not to the vote of the outstanding shares as a whole. Unless otherwise provided in the certificate of incorporation or these by-laws, vacancies and newly created directorships resulting from any increase in the authorized number of directors elected by all of the stockholders having the right to vote as a single class or from any other cause may be filled by a majority of the directors then in office, although less than a quorum, or by the sole remaining director. Whenever the holders of any class or classes of stock or series thereof are entitled to elect one or more directors by the provisions of the certificate of incorporation, vacancies and newly created directorships of such class or classes or series may be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by the sole remaining director so elected.

**Section 2.3** Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board may from time to time determine, and if so determined notice thereof need not be given.



**Section 2.4** Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by the Chairman of the Board, if any, by the Vice Chairman of the Board, if any, by the President or by any two directors. Reasonable notice thereof shall be given by the person or persons calling the meeting.

**Section 2.5** Participation in Meetings by Conference Telephone Permitted. Unless otherwise restricted by the certificate of incorporation or these by-laws, members of the Board of Directors, or any committee designated by the Board, may participate in a meeting of the Board or of such committee, as the case may be, by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this by-law shall constitute presence in person at such meeting.

**Section 2.6** Quorum; Vote Required for Action. At all meetings of the Board of Directors one-third of the entire Board shall constitute a quorum for the transaction of business. The vote of a majority of the directors present at a meeting at which a quorum is present shall be the act of the Board unless the certificate of incorporation or these by-laws shall require a vote of a greater number. In case at any meeting of the Board a quorum shall not be present, the members of the Board present may adjourn the meeting from time to time until a quorum shall attend.

**Section 2.7** Organization. Meetings of the Board of Directors shall be presided over by the Chairman of the Board, if any, or in the absence of the Chairman of the Board by the Vice Chairman of the Board, if any, or in the absence of the Vice Chairman of the Board by the President, or in their absence by a chairman chosen at the meeting. The Secretary, or in the absence of the Secretary an Assistant Secretary, shall act as secretary of the meeting, but in the absence of the Secretary and any Assistant Secretary the chairman of the meeting may appoint any person to act as secretary of the meeting.

**Section 2.8** Action by Directors Without a Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board or of such committee, as the case may be, consent thereto in writing, and the writing or writings are filed with the minutes of proceedings of the Board or committee.

**Section 2.9** Compensation of Directors. The Board of Directors shall have the authority to fix the compensation of directors.

## **ARTICLE III**

### **COMMITTEES**

**Section 3.1** Committees. The Board of Directors may, by resolution passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at

any meeting of the committee. In the absence or disqualification of a member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent provided in the resolution of the Board, shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; but no such committee shall have power or authority in reference to amending the certificate of incorporation, adopting an agreement of merger or consolidation, recommending to the stockholders the sale, lease or exchange of all or substantially all of the Corporation's property and assets, recommending to the stockholders a dissolution of the Corporation or a revocation of dissolution, removing or indemnifying directors or amending these by-laws; and, unless the resolution expressly so provides, no such committee shall have the power or authority to declare a dividend or to authorize the issuance of stock.

**Section 3.2** Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board may adopt, amend and repeal rules for the conduct of its business. In the absence of a provision by the Board or a provision in the rules of such committee to the contrary, a majority of the entire authorized number of members of such committee shall constitute a quorum for the transaction of business, the vote of a majority of the members present at a meeting at the time of such vote if a quorum is then present shall be the act of such committee, and in other respects each committee shall conduct its business in the same manner as the Board conducts its business pursuant to Article II of these by-laws.

## **ARTICLE IV**

### **OFFICERS#**

**Section 4.1** Officers; Election. As soon as practicable after the annual meeting of stockholders in each year, the Board of Directors shall elect a President and a Secretary, and it may, if it so determines, elect from among its members a Chairman of the Board and a Vice Chairman of the Board. The Board may also elect one or more Vice Presidents, one or more Assistant Vice Presidents, one or more Assistant Secretaries, a Treasurer and one or more Assistant Treasurers and such other officers as the Board may deem desirable or appropriate and may give any of them such further designations or alternate titles as it considers desirable. Any number of offices may be held by the same person.

**Section 4.2** Term of Office; Resignation; Removal; Vacancies. Except as otherwise provided in the resolution of the Board of Directors electing any officer, each officer shall hold office until the first meeting of the Board after the annual meeting of stockholders next succeeding his or her election, and until his or her successor is elected and qualified or until his or her earlier resignation or removal. Any officer may resign at any time upon written notice to the Board or to the President or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein no acceptance of such resignation shall be necessary to make it effective. The Board may remove any officer with or

without cause at any time. Any such removal shall be without prejudice to the contractual rights of such officer, if any, with the Corporation, but the election of an officer shall not of itself create contractual rights. Any vacancy occurring in any office of the Corporation by death, resignation, removal or otherwise may be filled for the unexpired portion of the term by the Board at any regular or special meeting.

**Section 4.3** Chairman of the Board. The Chairman of the Board, if any, shall preside at all meetings of the Board of Directors and of the stockholders at which he or she shall be present and shall have and may exercise such powers as may, from time to time, be assigned to him or her by the Board and as may be provided by law.

**Section 4.4** Vice Chairman of the Board. In the absence of the Chairman of the Board, the Vice Chairman of the Board, if any, shall preside at all meetings of the Board of Directors and of the stockholders at which he or she shall be present and shall have and may exercise such powers as may, from time to time, be assigned to him or her by the Board and as may be provided by law.

**Section 4.5** President. In the absence of the Chairman of the Board and Vice Chairman of the Board, the President shall preside at all meetings of the Board of Directors and of the stockholders at which he or she shall be present. The President shall be the chief executive officer and shall have general charge and supervision of the business of the Corporation and, in general, shall perform all duties incident to the office of president of a corporation and such other duties as may, from time to time, be assigned to him or her by the Board or as may be provided by law.

**Section 4.6** Vice Presidents. The Vice President or Vice Presidents, at the request or in the absence of the President or during the President's inability to act, shall perform the duties of the President, and when so acting shall have the powers of the President. If there be more than one Vice President, the Board of Directors may determine which one or more of the Vice Presidents shall perform any of such duties; or if such determination is not made by the Board, the President may make such determination; otherwise any of the Vice Presidents may perform any of such duties. The Vice President or Vice Presidents shall have such other powers and shall perform such other duties as may, from time to time, be assigned to him or her or them by the Board or the President or as may be provided by law.

**Section 4.7** Secretary. The Secretary shall have the duty to record the proceedings of the meetings of the stockholders, the Board of Directors and any committees in a book to be kept for that purpose, shall see that all notices are duly given in accordance with the provisions of these by-laws or as required by law, shall be custodian of the records of the Corporation, may affix the corporate seal to any document the execution of which, on behalf of the Corporation, is duly authorized, and when so affixed may attest the same, and, in general, shall perform all duties incident to the office of secretary of a corporation and such other duties as may, from time to time, be assigned to him or her by the Board or the President or as may be provided by law.

**Section 4.8** Treasurer. The Treasurer shall have charge of and be responsible for all funds, securities, receipts and disbursements of the Corporation and shall deposit or cause to be deposited, in the name of the Corporation, all moneys or other valuable effects in such banks, trust companies or other depositories as shall, from time to time, be selected by or under authority of the Board of Directors. If required by the Board, the Treasurer shall give a bond for the faithful discharge of his or her duties, with such surety or sureties as the Board may determine. The Treasurer shall keep or cause to be kept full and accurate records of all receipts and disbursements in books of the Corporation, shall render to the President and to the Board, whenever requested, an account of the financial condition of the Corporation, and, in general, shall perform all the duties incident to the office of treasurer of a corporation and such other duties as may, from time to time, be assigned to him or her by the Board or the President or as may be provided by law.

**Section 4.9** Other Officers. The other officers, if any, of the Corporation shall have such powers and duties in the management of the Corporation as shall be stated in a resolution of the Board of Directors which is not inconsistent with these by-laws and, to the extent not so stated, as generally pertain to their respective offices, subject to the control of the Board. The Board may require any officer, agent or employee to give security for the faithful performance of his or her duties.

## ARTICLE V

### STOCK

**Section 5.1** Certificates. Every holder of stock in the Corporation shall be entitled to have a certificate signed by or in the name of the Corporation by the Chairman or Vice Chairman of the Board of Directors, if any, or the President or a Vice President, and by the Treasurer or an Assistant Treasurer, or the Secretary or an Assistant Secretary, of the Corporation, certifying the number of shares owned by such holder in the Corporation. If such certificate is manually signed by one officer or manually countersigned by a transfer agent or by a registrar, any other signature on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent or registrar at the date of issue.

**Section 5.2** Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The Corporation may issue a new certificate of stock in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

## ARTICLE VI

## **MISCELLANEOUS**

**Section 6.1** Fiscal Year. The fiscal year of the Corporation shall be determined by the Board of Directors.

**Section 6.2** Seal. The Corporation may have a corporate seal which shall have the name of the Corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors. The corporate seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any other manner reproduced.

**Section 6.3** Waiver of Notice of Meetings of Stockholders, Directors and Committees. Whenever notice is required to be given by law or under any provision of the certificate of incorporation or these by-laws, a written waiver thereof, signed by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors, or members of a committee of directors need be specified in any written waiver of notice unless so required by the certificate of incorporation or these by-laws.

**Section 6.4** Indemnification of Directors, Officers and Employees. The Corporation shall indemnify to the full extent authorized by law any person made or threatened to be made a party to any action, suit or proceeding, whether criminal, civil, administrative or investigative, by reason of the fact that such person or such person's testator or intestate is or was a director, officer or employee of the Corporation or serves or served at the request of the Corporation any other enterprise as a director, officer or employee. For purposes of this by-law, the term "Corporation" shall include any predecessor of the Corporation and any constituent corporation (including any constituent of a constituent) absorbed by the Corporation in a consolidation or merger; the term "other enterprise" shall include any corporation, partnership, joint venture, trust or employee benefit plan; service "at the request of the Corporation" shall include service as a director, officer or employee of the Corporation which imposes duties on, or involves services by, such director, officer or employee with respect to an employee benefit plan, its participants or beneficiaries; any excise taxes assessed on a person with respect to an employee benefit plan shall be deemed to be indemnifiable expenses; and action by a person with respect to an employee benefit plan which such person reasonably believes to be in the interest of the participants and beneficiaries of such plan shall be deemed to be action not opposed to the best interests of the Corporation.

**Section 6.5** Interested Directors or Officers; Quorum. No contract or transaction between the Corporation and one or more of its directors or officers, or between the Corporation and any other corporation, partnership, association or other organization in which one or more of its directors or officers are directors or officers, or have a financial interest, shall be void or voidable solely for this reason, or solely because the director or officer is present at or participates in the meeting of the Board of Directors or committee thereof which authorizes the

contract or transaction, or solely because his or her or their votes are counted for such purpose, if: (1) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the Board or the committee, and the Board or committee in good faith authorizes the contract or transaction by the affirmative votes of a majority of the disinterested directors, even though the disinterested directors be less than a quorum; or (2) the material facts as to his or her relationship or interest and as to the contract or transaction are disclosed or are known to the stockholders entitled to vote thereon, and the contract or transaction is specifically approved in good faith by vote of the stockholders; or (3) the contract or transaction is fair as to the Corporation as of the time it is authorized, approved or ratified, by the Board, a committee thereof or the stockholders. Common or interested directors may be counted in determining the presence of a quorum at a meeting of the Board or of a committee which authorizes the contract or transaction.

**Section 6.6** Form of Records. Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account and minute books, may be kept on, or be in the form of, punch cards, magnetic tape, photographs, microphotographs or any other information storage device, provided that the records so kept can be converted into clearly legible form within a reasonable time. The Corporation shall so convert any records so kept upon the request of any person entitled to inspect the same.

**Section 6.7** Amendment of By-Laws. These by-laws may be amended or repealed, and new by-laws adopted, by the Board of Directors, but the stockholders entitled to vote may adopt additional by-laws and may amend or repeal any by-law whether or not adopted by them.

**Exhibit B**

I, Christopher M. Nelson, CPA, certify that:

1. I have reviewed this quarterly disclosure statement of AL International, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statements of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which the statements were made, not misleading with respect to the period covered by the disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in the disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flow of the Issuer as of, and for, the periods presented in the disclosure statement.

Date: 12/15/11



Chris Nelson, CFO