

## Javalution Coffee Company/CLR Roasters

### Consolidated

3rd Qtr 2009

#### Total Income

Javalution	644,121.23
CLR Roasters	549,943.70
Consolidated	1,194,064.93

#### Cost of Goods Sold

Javalution	362,072.20
CLR Roasters	393,217.78
Consolidated	755,289.98

#### Gross Profits

Javalution	282,049.03
CLR Roasters	156,725.92
Consolidated	438,774.95

#### Expenses

Javalution	328,788.86
CLR Roasters	274,337.16
Consolidated	626,153.64

#### Net Ordinary Income

Javalution	(46,739.83)
CLR Roasters	(117,611.24)
Consolidated	(164,351.07)

# Javalution Coffee Company

## Profit & Loss

### January through March 2010

	Jan - Mar 10
Ordinary Income/Expense	
Income	
Sales Income	207,980.60
Total Income	207,980.60
Cost of Goods Sold	
Cost of Goods Sold	70,410.31
Freight Costs	7,895.19
Fuel Surcharge	5.00
Materials - Cost of Goods Sold	225.00
MLM-Commissions	
Commissions to the Field	93,449.04
Founder's Pool Commissions	3,728.92
Total MLM-Commissions	97,177.96
Total COGS	175,713.46
Gross Profit	32,267.14
Expense	
Bank Service Charges	
Credit Card Service Charges	11,454.60
Bank Service Charges - Other	1,303.25
Total Bank Service Charges	12,757.85
Business Fees	359.30
Business Gifts	200.00
Car/Truck Lease	
Car Rental	97.47
Gas	846.67
Parking	42.00
Taxi	245.00
Tolls	177.00
Car/Truck Lease - Other	5,542.00
Total Car/Truck Lease	6,950.14
Commissions	22,291.00
Computer Expense	630.35
Computer Software Expense	91.13
Contract Services	
Stock Transfer Agent	3,574.15
Total Contract Services	3,574.15
Depreciation Expense	6,102.00
Donations	500.00
Dues and Subscriptions	43.98
Freight	196.58
Incentive Bonus Pool	3,926.09
Insurance	
Health	7,499.95
Lease Equipment	497.64
Total Insurance	7,997.59
Internet Publishing	750.00
Office Expense	367.07
Office Supplies	1,974.57
Officer Compensation	57,046.24
Payroll Expenses	
Bonus	200.00
Gross Wages	47,475.61
Payroll Services	545.13
Payroll Taxes	6,106.98
Worker's Comp	218.63
Total Payroll Expenses	54,546.35
Postage and Shipping	816.42
Printing and Reproduction	3,000.00

**Javalution Coffee Company**  
**Profit & Loss**  
January through March 2010

	Jan - Mar 10
Professional Fees	
Accounting Fees	4,160.00
Total Professional Fees	4,160.00
Rent	
Electricity Usage	485.51
Rent - Other	13,452.00
Total Rent	13,937.51
Repairs and Maintenance	
Computer Repairs	130.00
Total Repairs and Maintenance	130.00
Selling Expenses	
Advertising Expenses	
Creative Services	13,455.70
Marketing	
Investor Relations	2,500.00
Marketing - Other	31.95
Total Marketing	2,531.95
Advertising Expenses - Other	400.00
Total Advertising Expenses	16,387.65
Total Selling Expenses	16,387.65
Stock Tracking Service	870.00
Telephone and Fax	
Internet	70.00
Mobile	3,582.45
Service	4,185.40
Total Telephone and Fax	7,837.85
Travel & Entertainment	
Airfare	5,665.52
Lodging	7,557.69
Meals & Entertainment	9,122.23
Total Travel & Entertainment	22,345.44
Website Development	17,878.99
Total Expense	267,668.25
Net Ordinary Income	-235,401.11
Other Income/Expense	
Other Income	
Interest Income	5.08
Lease Income -related party	9,231.54
Other Income	3,919.76
Total Other Income	13,156.38
Other Expense	
Interest Expense	25,993.09
Other Expenses	-906.19
Total Other Expense	25,086.90
Net Other Income	-11,930.52
Net Income	-247,331.63

# Javalution Coffee Company

## Balance Sheet

As of March 31, 2010

	Mar 31, 10
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Bank of America - CD	1,665.97
Bank of America - Petty Cash	128.66
Checking Bank of America	-6,150.28
Petty Cash	361.90
Total Checking/Savings	-3,993.75
Accounts Receivable	
Accounts Receivable	6,752.08
Total Accounts Receivable	6,752.08
Other Current Assets	
Due from CLR Roasters LLC	
Interest Receivable	16,287.65
Lease Receivable	47,172.68
Due from CLR Roasters LLC - Other	423,536.77
Total Due from CLR Roasters LLC	486,997.10
Inventory	89,971.01
Investment in CLR	
Equity in Investee	-278,811.93
Investment in CLR - Other	1,103,345.62
Total Investment in CLR	824,533.69
Prepaid Commission	
Transcard	12,500.00
Total Prepaid Commission	12,500.00
Reserve 10% - Meritus System	249.56
Reserve 10% -Authorize-Meritus	29,751.26
Undeposited Funds	3,955.21
Total Other Current Assets	1,447,957.83
Total Current Assets	1,450,716.16
Fixed Assets	
Booth Displays	7,062.11
Computer Equipment	83,820.45
Distribution Equipment	1,800.00
Furniture and Fixtures	32,769.17
Less Accumulated Depreciation	-130,340.94
Machine and Equipment	101,599.65
Tradeshaw Equipment	6,167.73
Total Fixed Assets	102,878.17
Other Assets	
Pre-Paid Expenses-Alliance/CLR	3,428.64
Total Other Assets	3,428.64
<b>TOTAL ASSETS</b>	<b>1,557,022.97</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
Accounts Payable	172,220.26
Total Accounts Payable	172,220.26
Other Current Liabilities	
Accrued expense	3,750.00
Accrued Incentive Bonus Pool	27,413.56
Accrued Interest Payable	33,058.88

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Accrual Basis

**Javalution Coffee Company**  
**Balance Sheet**  
**As of March 31, 2010**

	<u>Mar 31, 10</u>
Accrued interest related Party	5,066.33
Accrued Salaries	153,888.49
Accrued Sales Tax Payable	6,677.75
Dividend Payable	252,955.71
Due to Related Party	68,133.39
Loan Payable	749,000.00
MLM Commissions	
Commission to the Field	149,557.52
Founder's Pool Payable	15,500.93
Total MLM Commissions	165,058.45
Sales Tax Payable	640.70
Total Other Current Liabilities	1,465,643.26
Total Current Liabilities	1,637,863.52
Long Term Liabilities	
Capital Lease -Bank of West	104,100.00
Notes payable- CLR Acq	301,730.56
Total Long Term Liabilities	405,830.56
Total Liabilities	2,043,694.08
Equity	
Capital Stock-No Par	
Preferred Stock-No Par	1,552,580.00
Warrant Conversion	593,843.60
Capital Stock-No Par - Other	9,966,579.00
Total Capital Stock-No Par	12,113,002.60
Dividend Paid	-540,435.71
Paid-in Capital	3,486,742.29
Retained Earnings	-15,298,648.66
Net Income	-247,331.63
Total Equity	-486,671.11
TOTAL LIABILITIES & EQUITY	<u><u>1,557,022.97</u></u>

**Javalution Coffee Company**  
**Statement of Cash Flows**  
January through March 2010

	<u>Jan - Mar 10</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	-247,331.63
Adjustments to reconcile Net Income to net cash provided by operations:	
Accounts Receivable	-3,985.24
Due from CLR Roasters LLC	5,530.63
Due from CLR Roasters LLC:Lease Receivable	-9,231.54
Inventory	-12,675.76
Prepaid Commission:Transcard	-7,500.00
Reserve 10% - Meritus System	10,332.44
Reserve 10% -Authorize-Meritus	-11,369.97
Accounts Payable	12,963.02
Accrued Incentive Bonus Pool	3,926.09
Accrued Interest Payable	266.70
Accrued Salaries	27,559.79
Due to Related Party	34,693.78
MLM Commissions:Commission to the Field	29,389.48
MLM Commissions:Founder's Pool Payable	4,285.07
Sales Tax Payable	626.30
Net cash provided by Operating Activities	-162,520.84
<b>INVESTING ACTIVITIES</b>	
Computer Equipment	-2,257.77
Less Accumulated Depreciation	6,102.00
Net cash provided by Investing Activities	3,844.23
<b>FINANCING ACTIVITIES</b>	
Capital Lease -Bank of West	-5,215.88
Notes payable- CLR Acq	-24,524.70
Net cash provided by Financing Activities	-29,740.58
Net cash increase for period	-188,417.19
Cash at beginning of period	188,378.65
Cash at end of period	<u><u>-38.54</u></u>

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Accrual Basis

**CLR Roasters LLC**  
**Profit & Loss**  
 January through March 2010

Jan - Mar 10

**Ordinary Income/Expense**  
**Income**

4010 · Sales (Sales)	640,043.56
4020 · Other Sales (Other Sales)	41,362.95
4040 · sales discount- others	-8,564.19

**Total Income**

672,842.32

**Cost of Goods Sold**

5000 · Cost of Goods Sold (Cost of Goods Sold)	
5015 · Direct labor	36,238.45
5020 · COS- Depreciation	39,864.87
6001 · Freight In (Freight In)	
6000 · Freight (Freight)	652.81
6001 · Freight In (Freight In) - Other	3,520.93
<b>Total 6001 · Freight In (Freight In)</b>	<b>4,173.74</b>
6286 · Sub Contractors (Sub Contractors)	12,000.00
6921 · Warehouse Surcharge (Warehouse Surcharge)	9,937.18
5000 · Cost of Goods Sold (Cost of Goods Sold) - Other	434,899.79
<b>Total 5000 · Cost of Goods Sold (Cost of Goods Sold)</b>	<b>537,114.03</b>

**Total COGS**

537,114.03

**Gross Profit**

135,728.29

**Expense**

Amortization Expense (Amortization Expense)	4,602.00
Lease Expense (Lease Expense)	9,729.18
6002 · Freight Out (Freight Out)	34,047.41
6020 · Marketing Expense (Marketing Expense)	
6021 · Coffee Equipment (Coffee Equipment)	432.00
6020 · Marketing Expense (Marketing Expense) - Other	1,115.00
<b>Total 6020 · Marketing Expense (Marketing Expense)</b>	<b>1,547.00</b>
6180 · Insurance (Insurance)	
6181 · Health Insurance (Health Insurance)	3,455.63
6182 · Car Insurance (Car Insurance)	496.27
6184 · Workers Compensation (Workers Compensation)	795.00
6185 · Liability Insurance (Liability Insurance)	2,051.45
<b>Total 6180 · Insurance (Insurance)</b>	<b>6,798.35</b>
6270 · Professional Fees (Professional Fees)	
6280 · Legal Fees (Legal Fees)	2,016.02
6287 · Accounting (Accounting Fees)	1,560.00
<b>Total 6270 · Professional Fees (Professional Fees)</b>	<b>3,576.02</b>
6290 · Rent (Rent)	
6295 · Rent Taxes (Rent Taxes)	12,754.05
6290 · Rent (Rent) - Other	26,580.45
<b>Total 6290 · Rent (Rent)</b>	<b>39,334.50</b>
6300 · Repairs (Repairs and Maintenance)	
6320 · Computer Repairs (Computer Repairs)	170.00
6330 · Equipment Repairs (Equipment Repairs)	2,678.08
<b>Total 6300 · Repairs (Repairs and Maintenance)</b>	<b>2,848.08</b>
6337 · Coffee Equipment Repairs (Coffee Equipment Repairs)	
6338 · Service Contract (Service Contract)	0.00
6337 · Coffee Equipment Repairs (Coffee Equipment Repairs) - Other	7,307.03
<b>Total 6337 · Coffee Equipment Repairs (Coffee Equipment Repairs)</b>	<b>7,307.03</b>
6350 · Travel & Entertainment (Travel and Entertainment)	
6370 · Meals (Meals)	206.71
6350 · Travel & Entertainment (Travel and Entertainment) - Other	50.00
<b>Total 6350 · Travel &amp; Entertainment (Travel and Entertainment)</b>	<b>256.71</b>
6400 · Utilities (Utilities)	
6405 · Gas and Electric (Gas and Electric)	9,045.32
6420 · Garbage (Garbage)	1,696.92
<b>Total 6400 · Utilities (Utilities)</b>	<b>10,742.24</b>

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Accrual Basis

**CLR Roasters LLC**  
**Profit & Loss**  
January through March 2010

	Jan - Mar 10
6560 · Payroll Expenses	
6561 · Officer's Salaries (Officer's Salaries)	36,807.73
6562 · Gross Wages (Gross Wages)	4,603.83
6567 · Payroll Services (Payroll Services)	591.17
Total 6560 · Payroll Expenses	42,002.73
6570 · Payroll Taxes (Payroll Taxes)	
6571 · Payroll Taxes (Payroll Taxes)	6,485.43
Total 6570 · Payroll Taxes (Payroll Taxes)	6,485.43
6640 · Taxes (Taxes)	
6641 · Tax (Tax)	22.58
Total 6640 · Taxes (Taxes)	22.58
6770 · Supplies (Supplies)	
6790 · Office (Office Supplies)	1,345.19
Total 6770 · Supplies (Supplies)	1,345.19
6810 · Telephone Expense (Telephone and long distance charges, faxing, and other fees Not equipment	
6815 · Telephone (Telephone)	2,729.90
6818 · Wireless Card (Wireless Card)	418.78
Total 6810 · Telephone Expense (Telephone and long distance charges, faxing, and other fees Not equ	3,148.68
6910 · Automobile Expense (Automobile Expense)	2,439.51
6911 · Fuel Charges (Fuel Charges)	58.95
6920 · Bank Service Charges (Bank Service Charges)	3,102.57
6922 · Warehouse Supplies (Warehouse Supplies)	2,031.18
6937 · Sunpass (Sunpass)	40.00
6940 · Cleaning & Sanitation (Cleaning & Sanitation)	967.50
6960 · Dues and Subscriptions (Dues and Subscriptions)	331.28
6970 · Equipment Rental (Equipment Rental)	926.77
6972 · Licenses and Permits (Licenses)	345.00
6973 · Pest Control Services (Pest Control Services)	577.80
6975 · Maintenance (Maintenance)	2,229.67
6977 · Filing Fees (Filing Fees)	183.00
6978 · Postage and Delivery (Postage and Delivery)	709.00
6979 · Printing and Reproduction (Printing and Reproduction)	0.00
6983 · Incentive Bonus Pool (Incentive Bonus Pool)	13,453.05
6988 · Miles Traveled (Miles Traveled)	1,551.50
6989 · Car Allowance (Car Allowance)	1,500.00
6990 · Business Gifts (Business Gifts)	217.90
6995 · Donations (Donations)	273.30
Total Expense	204,731.11
Net Ordinary Income	-69,002.82
Other Income/Expense	
Other Expense	
6200 · Interest Expense (Interest Expense)	
6210 · Finance Charge (Finance Charge)	5,456.58
6985 · Factoring Expense Fee (Factoring Expense Fee)	6,998.25
6200 · Interest Expense (Interest Expense) - Other	357.50
Total 6200 · Interest Expense (Interest Expense)	12,812.33
Total Other Expense	12,812.33
Net Other Income	-12,812.33
Net Income	-81,815.15



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Accrual Basis

# CLR Roasters LLC

## Balance Sheet

As of March 31, 2010

	Mar 31, 10
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Bank of America - Petty Cash (Bank of America - Petty Cash)	30.53
CLR Bank of America (CLR Bank of America)	16,201.23
Petty Cash Account (Petty Cash Account)	440.85
Total Checking/Savings	16,672.61
Accounts Receivable	
1200 · Accounts Receivable	271,784.35
Total Accounts Receivable	271,784.35
Other Current Assets	
1120 · Inventory Asset	93,740.83
Total Other Current Assets	93,740.83
Total Current Assets	382,197.79
Fixed Assets	
15002 · Manufacturing Equipment	
6010 · Equipment Upgrades (Warehouse Upgrade)	8,430.11
15002 · Manufacturing Equipment - Other	421,717.00
Total 15002 · Manufacturing Equipment	430,147.11
15003 · Javafit Flow Equipment (Javafit Mixing and Production Flow Equipment)	40,224.31
15004 · Office Equipment	5,922.27
15005 · Leased Manufacturing Equipment (Leased Manufacturing Equipment)	100,420.00
17000 · Accumulated Depreciation (Accumulated depreciation on equipment, buildings and improvements)	-242,433.28
6175 · Equipment Purchase (Equipment Purchase)	138,972.17
Total Fixed Assets	473,252.58
Other Assets	
16000 · Intangible Assets	
Accumulated Amortization (Accumulated Amortization)	-27,350.00
16000 · Intangible Assets - Other	72,298.00
Total 16000 · Intangible Assets	44,948.00
16005 · Security Deposit	19,477.00
6011 · Utility Service Upgrade (600 AMP Service)	8,159.16
Total Other Assets	72,584.16
<b>TOTAL ASSETS</b>	<b>928,034.53</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	197,352.03
Total Accounts Payable	197,352.03
Other Current Liabilities	
Accrued Expenses (Accrued Expenses)	
Accrued Incentive Bonus Pool (Accrued Incentive Bonus Pool)	59,059.38
Total Accrued Expenses (Accrued Expenses)	59,059.38
Due to Javalution Coffee (Due to Javalution Coffee)	
Accrued Interest - JAVA (Accrued Interest - JAVA)	16,287.65
Due to Javalution Coffee-lease	47,670.32
Due to Javalution Coffee (Due to Javalution Coffee) - Other	423,536.77
Total Due to Javalution Coffee (Due to Javalution Coffee)	487,494.74
Due to Related Party (Due to Related Party)	56,846.58
Total Other Current Liabilities	603,400.70
Total Current Liabilities	800,752.73

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Accrual Basis

## CLR Roasters LLC

### Balance Sheet

As of March 31, 2010

	Mar 31, 10
Long Term Liabilities	
Long Term Liability (Long Term Liability)	
Banc of America Leasing & Capit (Banc of America Leasing & Capital, LLC)	71,982.05
Crestmark Bank (Crestmark Bank)	75,422.05
The CIT Group (The CIT Group)	25,938.97
Total Long Term Liability (Long Term Liability)	173,343.07
Total Long Term Liabilities	173,343.07
Total Liabilities	974,095.80
Equity	
Additional Paid in Capital (Additional Paid in Capital)	
Capital Contribution - TCBTR	601,918.62
Javalution Capital Contribution (Capital Contribution)	1,103,245.62
Additional Paid in Capital (Additional Paid in Capital) - Other	-1,163,806.42
Total Additional Paid in Capital (Additional Paid in Capital)	541,357.82
1110 · Retained Earnings (Retained Earnings)	-505,603.94
Net Income	-81,815.15
Total Equity	-46,061.27
TOTAL LIABILITIES & EQUITY	928,034.53

**CLR Roasters LLC**  
**Statement of Cash Flows**  
January through March 2010

	<u>Jan - Mar 10</u>
<b>OPERATING ACTIVITIES</b>	
Net Income	-81,815.15
Adjustments to reconcile Net Income	
to net cash provided by operations:	
1200 · Accounts Receivable	-70,166.13
1120 · Inventory Asset	-27,448.15
2000 · Accounts Payable	92,677.06
Accrued Expenses:Accrued Incentive Bonus Pool	13,453.05
Accrued Expenses:Accrued salaries	-5,550.02
Due to Javalution Coffee	-5,530.63
Due to Javalution Coffee:Due to Javalution Coffee-lease	9,729.18
Due to Related Party	46,242.57
Net cash provided by Operating Activities	-28,408.22
<b>INVESTING ACTIVITIES</b>	
17000 · Accumulated Depreciation	39,864.87
6175 · Equipment Purchase	-5,974.70
16000 · Intangible Assets:Accumulated Amortization	4,602.00
Net cash provided by Investing Activities	38,492.17
<b>FINANCING ACTIVITIES</b>	
Long Term Liability:Banc of America Leasing & Capit	-5,021.02
Long Term Liability:Crestmark Bank	75,422.05
Long Term Liability:The CIT Group	-72,607.93
Net cash provided by Financing Activities	-2,206.90
Net cash increase for period	7,877.05
Cash at beginning of period	8,795.56
Cash at end of period	<u><u>16,672.61</u></u>