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SUPREME COURT

STATE OF NEVADA

RONALD J. ROBINSON,

Appellant,

vs.

STEVEN A. HOTCHKISS,

Respondent.

RONALD J. ROBINSON,

Appellant,

vs.

ANTHONY WHITE, ROBIN SUNTHEIMER, TROY SUNTHEIMER, STEPHENS GHESQUIERE, JACKIE STONE, GAYLE CHANY, KENDALL SMITH, GABRIELE LA VERMICOCCA, ROBERT KAISER.

Respondents.

No. 83250

<u>APPELLANT'S APPENDIX VOL. 8</u>

Docket 83250 Document 2021-32484

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international companies will allow ALICE to be marketed, branded and sold by companies who already operate in and understand international markets. The company also sells its products directly. The company augments its distribution programs with the ALICE website, internet ad campaigns, and marketing on social media.

The company has established a marketing plan, which will initially focus on the government and real estate services market segments. The plan includes the addition of staff members, to be added in stages over the first 24 months of the marketing plan. The initial focus of the marketing plan is domestic; an international marketing team will be added in the second year of the plan.

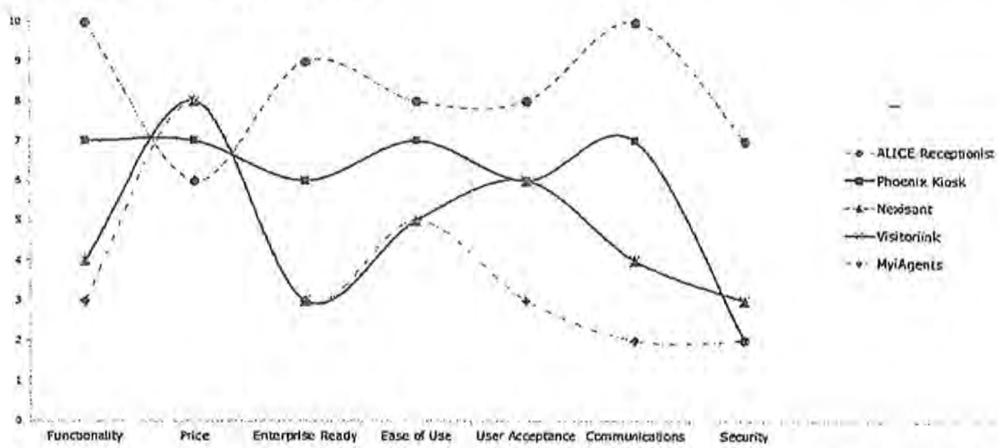
In addition to adding team members, the marketing plan includes:

- Engaging a PR agency to develop and execute a public relations plan to assist with exposure and branding of the ALICE system.
- Trade show exhibits.
- Online advertising and social media.
- Developing a wide range of marketing material.

Competition

COMPETITIVE POSITIONING MAP

The following chart sets out the factors that VCC believes distinguish the ALICE system from the products of the company's competitors.



A growing number of companies have entered the visitor management market over the last few years. Most of these have emulated components of the ALICE Receptionist technology and approach to visitor management, but the company believes that none are able to compete with ALICE across the board.

ALICE Receptionist remains competitively priced, while not striving to be the least expensive product in this space. The company's priority is to offer the most advanced, feature-rich, innovative product designed to manage multiple buildings for an organization as well as single office locations.

The company believes that that the ALICE Receptionist system has competitive advantages which result from the following factors:

- Communications – ALICE Receptionist was developed using technology that the telecommunication industry has standardized on for VoIP communications. As a result ALICE integrates with products from telecommunications industry leaders such as Cisco, Avaya, Microsoft Lync, Polycom, and many others.
- Cloud Infrastructure – ALICE Receptionist offers a complete cloud communications platform which enables customers around the globe to quickly come on-line with ALICE Receptionist services.
- Extensive Features – ALICE Receptionist has a list of mature features that exceeds any other product on the market for virtual receptionist technology and services.
- Enterprise Ready – ALICE Receptionist is designed to work in an enterprise environment. As a results ALICE easily integrates with technology that large organizations are already using, such as Active Directory, VoIP Phone systems, Microsoft Outlook and Google apps.
- Ease of Use – ALICE Receptionist was designed with a "one-touch" philosophy which dictates that a visitor who may have never used an ALICE system before can be connected with a live person with a single touch. Alice also offers a no-touch option which requires no action by the visitor to be connected with a live person. This approach helps accelerate consumer adoption of this technology.
- Industry Leader – ALICE Receptionist leads not only from a competitive product comparison, but also in a rapidly growing market share which includes an expanding list of industry partners and resellers around the globe.

Research and Development

The company has spent $103,711 to date on the development of software since inception.

Employees

The company currently employs seven people, of whom five are employed full-time, including the four people employed as the company's executive officers, and two are employed part-time. Additionally, the company engages one consultant.

Technology and Intellectual Property

The company generally provides the ALICE system via the "cloud" using third-party servers, hosted by CyberLynk and Microsoft. Clients with security concerns or policies that prevent external hosting can host the ALICE system completely within their corporate IT infrastructure.

ALICE currently operates on the Microsoft Windows platform.

ALICE voice and video communication is developed on the Session Initiation Protocol ("SIP") communication protocol, which is widely used for controlling communications sessions such as voice and video calls over Internet Protocol ("IP"). By standardizing on the SIP protocol, the company is able to take advantage of the many inherent features of that protocol, such as user mobility, flexibility with respect to media type, encryption ability, and the ability to communicate via voice, video, chat and instant messaging. Since SIP is used by most Voice over IP ("VoIP") providers, ALICE can communicate with a wide range of third party end points including VCC's own SIP-based ALICE Softphone, and smartphones with VOIP applications. ALICE can also integrate with Microsoft Lync devices and end points; so Microsoft Lync users are potential customers for the ALICE system.

ALICE video communication is currently developed using CounterPath's Software Development Kit ("SDK"). CounterPath is a technology leader in SIP communications and its technology is widely used by prominent technology companies. VCC licenses the SDK from CounterPath. By integrating CounterPath's technology, the company believes it will be able to leverage CounterPath's continued development of new features and benefit from easy integration with other CounterPath strategic partner products such as SIP Softphones developed by other companies.

The company is currently developing the next advancement in ALICE on WebRTC, an emerging technology which enables web browsers to implement real-time communications ("RTC") by means of simple JavaScript application programming interfaces ("APIs"), and which the company expects to replace the CounterPath SDK in the future. WebRTC is an open project (meaning that anyone can use the code being developed and no licenses are required) supported by Google. The company anticipates that this technology will enable VCC to extend ALICE beyond Microsoft Windows to Android, iOS and Linux based operating systems. The company anticipates that this development will result in lower system hardware cost for the ALICE systems, allowing VCC to pursue more aggressive pricing and reach a wider range of potential customers.

VCC has applied for a patent for the ALICE Receptionist process, which we continue to work with the United States patent office on securing.

Litigation

Two complaints have been filed in the District Court of Clark County against the company and the company Chairman. The complaints area result of non-payment to note holders. The Chairman of the company has answered these complaints and will pursue a settlement. The Chairman and not the company accept full responsibility for the pursuing this action and making a settlement in due course.

The company's property

The company does not own any material physical property. It currently leases its premises.

MANGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

The company has switched to a reoccurring revenue subscription pricing model which is intended to increase revenue from each new customer. Until July 2015, the company sold the ALICE system as a perpetual license with additional charges for maintenance and support contracts if the customer chose to contract for support. Revenue from the sales of such licenses was recognized when services were rendered and revenue from maintenance and support contracts was recognized over the service period covered by the contract (more detail about the conditions for recognition appears in Note 2 to the Company's financial statements). Starting July 1, 2015, the ALICE Receptionist product has been available only as a software subscription, which may be billed on a monthly or annual basis. Those subscriptions paid monthly are recognized as revenue in the month in which they are received whereas annual subscriptions will recognized ratably over the subscription term. This change means that revenues for periods before 2015 and for periods within 2015 may not be readily comparable.

2015 versus 2014

The company's net revenues for the year ended December 31, 2015 were $632,922, a 40% increase from $450,634 in 2014. Net revenues consist of all sales, less discounts and returns. The company's revenues were primarily derived from the sale of the ALICE system, which is composed of three primary components: hardware sales, software sales and support and maintenance contracts. For the year ended December 31, 2015, the company recorded $232,716 in hardware sales, $284,892 in software sales and $115,314in support and maintenance fees. All other income is from miscellaneous fees such as shipping and delivery. The primary driver of changes from the year ending December 31, 2014 was the increase in the company's customer base, [although the proportion of sales from software also increased over this period].

Cost of goods primarily consists of computer equipment, video displays, component parts and shipping supplies. Software development costs are expensed as costs of goods sold or general and administrative expenses. Cost of goods sold in 2015 was $242,791, a 16% increase from 2014, primarily due to the greater volume of sales. Gross profit (revenues less the cost of producing those revenues) in 2014 was $390,131, an increase over 2014 of 61%. Gross margins in 2015 were 62%, compared to 54% in 2014, primarily due to increase in pricing.

The company's operating expenses consist of rent, payroll, professional services, marketing and advertising, utilities and general and administrative costs. Operating expenses in 2015 amounted to $839,565, a 47% decrease from $1,570,792 in 2014. The primary components of this decrease were due to:

- A 54% decrease in legal and professional costs to $269,932, reflecting audit and accounting fees and the 2014 preparation of private placement documentation for an offering that was not pursued.
- An 89% decrease in rent expenses to $25,288 due to forbearance of rent by the related party lessor.

- A 22% decrease in payroll expenses to $409,931, due to reallocation of resources.
- A 72% decrease in marketing expenses to $13,415.

As a result of the foregoing factors, the company's net loss from operations was $449,434 in 2015, a 66% decrease from losses of $1,328,762 in 2014.

Other expenses primarily consist of depreciation and amortization, bad debt expense, interest payments and debt capital finance charges. Other expenses amounted to $425,358 in 2015, a 37% decrease from $672,870 in 2014. The primary reasons for this change were:

- A 15% decrease in interest expense to $346,051, due to the accumulated interested on the deferred rent ending.
- A 70% decrease to $66,850 in debt capital finance charges, due to decrease in capital raise activity.

As a result of the foregoing factors, the company's net loss for 2015 was $445,946, a decrease of 78% from a net loss of $2,001,632 in 2014.

2014 versus 2013

The company's net revenues for the year ended December 31, 2014 were $450,634, a 72% increase from $262,154 in 2013. The company's revenues were primarily derived from the sale of the ALICE system, which is composed of three primary components: hardware sales, software sales and support and maintenance contracts. For the year ended December 31, 2014, the company recorded $116,388 in hardware sales, $293,061 in software sales and $49,102 in support and maintenance fees. All other income is from miscellaneous fees such as shipping and delivery. The primary driver of changes from the year ending December 31, 2013 was the increase in the company's customer base, although the proportion of sales from software also increased over this period.

Cost of goods primarily consists of computer equipment, video displays, component parts and shipping supplies. Software development costs were capitalized through March 2013, when the technological feasibility of the software was achieved, and from that point software development costs were expensed as costs of goods sold or general and administrative expenses. Cost of goods sold in 2014 was $208,604, a 34% increase from 2013, primarily due to the greater volume of sales. Gross profit in 2014 was $242,030, an increase over 2013 of 128%. Gross margins in 2014 were 54%, compared to 40% in 2013, primarily due to the change in product mix, as hardware includes a cost of goods components, unlike software.

The company's operating expenses consist of rent, payroll, professional services, marketing and advertising, utilities and general and administrative costs. Operating expenses in 2014 amounted to $1,570,792, a 51% increase from $1,041,891 in 2013. The primary components of this increase were due to:

- A 351% increase in legal and professional costs to $586,619, due to audit and accounting fees and the preparation of private placement documentation for an offering that was not pursued and to the forgiveness of loans to three of the company's officers made in 2012. Those loans were made during the early stages of the company, before the company made any payroll payments to those officers.

- A 40% increase in payroll expenses to $523,859, due to the hiring of additional personnel in 2014 and the fact that the company only started paying its personnel in March of 2013 and thus 2013 included only nine months of payroll expenses.
- A 44% increase in general and administrative costs to $148,685 due to increased operations.

The increases in operating expenses were offset by:

- A 33% decrease in rental expenses to $229,359, as a result of the expiration of the formal rental period on September 1, 2014 and the forbearance of rent by the related party lessor.

As a result of the foregoing factors, the company's net loss from operations was $1,328,762 in 2014, a 42% increase from losses of $935,724 in 2013.

Other expenses primarily consist of depreciation and amortization, bad debt expense, interest payments and debt capital finance charges. Other expenses amounted to $672,870 in 2014, a 30% increase from $518,750 in 2013. The primary reasons for this change were:

- A 2,017% increase in bad debts, to $33,349, due to an increase in the volume of sales and number of customers.
- A 65% increase to $405,491 in interest expense, due to the incurrence of additional debt in 2014.

As a result of the foregoing factors, the company's net loss for 2014 was $2,001,632, an increase of 38% from a net loss of $1,454,474 in 2013.

The company's net revenues for 2013 were $262,154. The company's revenues were primarily derived from the sale of the ALICE system, comprising $82,608 in hardware sales, $80,442 in software sales and $48,873 in support and maintenance fees. Most of the company's customers purchase all three components when subscribing to the ALICE system.

Cost of goods sold in 2013 was $155,987. Gross profit in 2013 was $106,167.

Operating expenses in 2013 were $1,041,891. The primary elements of this cost were:

- $343,098 in rent expenses.
- Legal and professional fees.
- Payroll expenses of $373,492, as the company paid salaries beginning March, 2013.

Other expenses amounted to $518,750 in 2013. The primary components of this cost were:

- Interest expense of $246,418 under of which $54,843 was a result of interest accrued on past due rent payable to a related party and $191,575 resulting from $2,875,750 in notes payable.
- Debt capital finance charges of $254,785 paid in the course of debt financing as a result of commissions paid on funds raised by an independent third party.

- Depreciation and amortization, related to initial software development, in the amount of $16,797.

As a result of the foregoing factors, the company's net loss for 2013 was $1,454,474.

Liquidity and Capital Resources

To date, the company has not made any profits and is still a "development stage company." While some financial resources have come from sales, sales only provide a fraction of the money needed to operate the company, and profits are not likely for some time. The company has recorded losses from the time of inception in the total amount of $5,932,955.

The company was initially capitalized by equity investments from its shareholders in the amount of $271,672 and loans from the issuance of notes. The principal amount of notes outstanding as of December 31, 2015 was $4,536,750. The company had cash on hand in the amount of $18,670 at December 31, 2015.

The company has not committed to make any capital expenditures, and in the event it does not raise sufficient funds from this offering, it will defer the capital expenditures it has planned. Since the company orders hardware as the need for it is incurred on a particular project, it does not need or keep any significant inventory.

Trend Information

Initially ALICE Receptionist was targeted to small and medium sized businesses and single office installations. Starting in 2014, the company introduced enterprise class features into the product and VCC's target market shifted upstream to larger corporations and government agencies with multiple locations. With these product enhancements, the company began seeing an increase of interest from larger companies. In 2015 the company has experienced a continuing increase in interest from large organizations looking to purchase multiple or many ALICE systems to deploy in office across states.

This market shift from smaller entities to enterprise and government customers, and the greatly-expanded functionality of the product led to the changes in pricing models that went into effect on July 1, 2015. The company believes that this pricing more accurately reflects the value VCC's current product offers to its current target market.

Customer demand in 2015 has been increasing and by the close of the second quarter 2015 the company matched total sales for all of 2014. VCC's sales pipeline has increased quarter over quarter while maintaining a small backlog on orders.

Backlog is generally driven by the supply of hardware manufacture on hand supply. Delivery of an ALICE system for software-only purchase is typically completed in a few days. Once an order is placed and funds received, the fulfillment team contacts the customer and schedules a day for remote installation, configuration and training of the software. For hardware orders, the system delivery can take between one and eight weeks depending on the hardware selected and any customized features.

DIRECTORS, EXECUTIVE OFFICERS AND SIGNIFICANT EMPLOYEES

The following table sets out the company's officers and directors. All work with the company on a full-time basis.

Name	Position	Age	Term of Office	
Executive Officers:				
Ron J. Robinson	Chairman	84	Appointed to indefinite term of office, December 31, 2012	
S. Vernon Rodriguez	CFO	67	Appointed to indefinite term of office, December 31, 2012	
Michael T. Yoder	EVP and Chief technology Officer	47	Appointed to indefinite term of office, December 31, 2012	
Frank T. Yoder, Jr.	EVP and Chief Information Officer	55	Appointed to indefinite term of office, December 31, 2012	
Directors:				
Ron J. Robinson	Chairman		Appointed to indefinite term of office, December 31, 2012	
S. Vernon Rodrigues	Director		Appointed to indefinite term of office, December 31, 2012	

Frank T. Yoder, Jr.	Director		Appointed to indefinite term of office, December 31, 2012	
Michael T. Yoder	Director		Appointed to indefinite term of office, December 31, 2012	

Frank Yoder and Mike Yoder are brothers.

Ron J. Robinson, Chairman of the Board

Ron Robinson is the company's Chairman of the Board. He has held this position since 2012 and is in charge of all policy and operations of the company. From 1997 to the present, he is Managing Member of National Commercial Properties, LLC and was a Director of Oasis Residential REIT. From 2010-2013. He was Managing Member of Wintech, LLC, which is now a subsidiary of the company. Previously, Mr. Robinson served as President and CEO of CEC Industries, Inc. and President of and CEO of Crowne Ventures, Inc. He holds a BA/LLB degree from LaSalle Extension University. Mr. Robinson is a veteran of the US Air Force.

Simon Vernon Rodriguez, Chief Financial Officer

Vernon Rodriguez is the company's Chief Financial Officer. He has a background in sales, marketing and accounting strategies and systems for financial services firms. He has held this position since 2012 and is in charge of financial policy and financial records of the company. Previously (from 2004 to present) he was a commercial real estate agent at National Commercial Properties, Inc., where his responsibilities were commercial real estate, leasing and management, and prior to that he was Vice President of Crowne Ventures, Inc., where he was National Sales and Marketing Director. He holds a degree in business and political science from the University of New Mexico.

Mike Yoder, EVP and Chief Technology Officer

Mike Yoder serves as the company's Executive Vice President and Chief Technology Officer. He is responsible for product vision and development, and the development of the company's global distribution channel partner program. He has held this position since 2010 Previously, Mr. Yoder served as Chief Operating Officer of Advanced Information Systems (AIS), from 2001 to 2011. In this position, he was responsible for the development of AIS products.

Frank Yoder, EVP and Chief Information Officer

Frank Yoder serves as the company's Vice President Marketing, in which position he oversees the communications platform and sales and support teams. He has held that position since 2011. From 1987 to 2011, Frank founded and served as President of Advanced Information Systems (AIS). At AIS, Frank led AIS's Voice and Data department, which established contact centers throughout North America and Europe. Frank sits on the Computer Science Advisory Council for the College of Engineering at the University of Nevada Las Vegas, and is a board member of Nevada's Center for Entrepreneurship and Technology.

COMPENSATION OF EXECUTIVE OFFICERS AND DIRECTORS

For the fiscal year ended December 31, 2015 the company compensated the executive officers as follows:

Name	Capacities in which compensation was received	Cash compensation ($)	Other compensation ($)	Total compensation ($)
Ron J. Robinson	Chairman	0*	N/A	0
S. Vernon Rodriguez	Chief Financial Officer	85,000	N/A	85,000
Mike Yoder	EVP and Chief Technology Officer	85,000	N/A	85,000
Frank Yoder	EVP and Chief Information Officer	85,000	N/A	85,000

Directors do not receive any compensation.

*No accrued compensation is due to any member of management. The company does not have an option plan.

During 2012, the company advanced loans of $56,000 each to Vernon Rodriguez, Mike Yoder and Frank Yoder. The company's board of directors (on which each of these people serve) voted to forgive this debt during 2014, and a total of $168,000 was expensed as legal and professional fees.

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN SECURITYHOLDERS

The following table sets out, as of February 20, 2016, the voting securities of the company that are owned by executive officers and directors, and other persons holding more than 10% of the company's voting securities, or having the right to acquire those securities. The company has only issued common stock to date.

Title of class	Name and address of beneficial owner	Amount and nature of beneficial ownership	Amount and nature of beneficial ownership acquirable	Percent of class
Common Stock	Daughters of Ron Robinson 3785 Mesa Linda Drive, Las Vegas, NV 89120	11,000,000 Owned via Scotsman Trust, an irrevocable trust of which Mr. Robinson is the trustee	N/A	43.70%
Common Stock	Mike Yoder 1901 Empoli, Las Vegas, NV 89134	5,500,000 directly owned	N/A	21.85%
Common Stock	Frank Yoder 11784 Bella Luna Street, Las Vegas, NV 89183	5,500,000 directly owned	N/A	21.85%
Common Stock	S. Vernon Rodriguez 1253 Vietti Street Henderson, Nevada 89012	3,000,000 directly owned	N/A	11.92%

INTEREST OF MANAGEMENT AND OTHERS IN CERTAIN TRANSACTIONS

Loans to Management

During 2012, the company advanced loans of $56,000 each to Vernon Rodriguez, Mike Yoder and Frank Yoder. The company's board of directors (on which each of these people serve) voted to forgive this debt during 2014, and a total of $168,000 was expensed as legal and professional fees.

Rental from Related Party

On August 11, 2011 the company entered into a verbal lease agreement with Warm Springs/Placid, LLC, a company controlled by Mr. Robinson, the Chairman, for the lease of part of an office building. On August 1, 2011 the lease was assigned to the company by AIS, which is an entity previously operated by members of management. At the date of assignment, the lease had accrued rent payable of $561,213. The company has moved offices to 319 E. Warm Springs Road Suite 100, Las Vegas, NV 89119 which is a building owned by a related party. The company is currently occupying the office rent free. As of December 31, 2015 all accrued rent was settled for one dollar.

SECURITIES BEING OFFERED

General

Immediately following the completion of this offering, VCC's authorized capital stock will consist of 100,000,000 shares of common stock, $0.001 par value per share, and 5,000,000 shares of Series A Preferred Stock, $0.001 par value per share.

As of December 31, 2015 there were 25,168,462 shares of VCC's common stock outstanding, held by approximately 6 stockholders of record. No Preferred Stock was outstanding. The company's board of directors is authorized, without stockholder approval, to issue additional shares of capital stock.

Common Stock

Dividend Rights

Subject to preferences that may be applicable to any then outstanding preferred stock, holders of VCC's common stock are entitled to receive dividends, if any, as may be declared from time to time by the board of directors out of legally available funds. The company has never declared or paid cash dividends on any of its capital stock and currently does not anticipate paying any cash dividends after this offering or in the foreseeable future.

Voting Rights

Each holder of VCC's common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. VCC's stockholders have cumulative voting rights in the election of directors.

Right to Receive Liquidation Distributions

In the event of VCC's liquidation, dissolution or winding up, holders of its common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of the company's debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then outstanding shares of preferred stock.

Rights and Preferences

Holders of VCC's common stock have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to the company's common stock. The rights, preferences and privileges of the holders of the company's common stock are subject to and may be adversely affected by, the rights of the holders of shares of any series of VCC's preferred stock that the company may designate in the future.

Preferred Stock

VCC's board of directors will have the authority, without further action by its stockholders, to issue up to 5,000,000 shares of Series A Preferred Stock, convertible into common stock. The issuance of preferred stock by VCC could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change of control or other corporate action. Upon the completion of this offering, no shares of preferred stock will be outstanding, and the company has no immediate plan to issue any shares of preferred stock.

Anti-Takeover Effects of Provisions of Nevada State Law

The company may in the future become subject to the "control share" provisions of the corporation law of the State of Nevada. A corporation is subject to these provisions if it has more than 200 shareholders of record, at least 100 of whom are residents of Nevada, and if the corporation does business in Nevada, including directly or through an affiliated corporation. This control share law may have the effect of discouraging corporate takeovers. As of the date of this Offering Circular, the company had less than 10 shareholders of record and conducted business in Nevada.

The control share law focuses on the acquisition of a "controlling interest," which means the ownership of outstanding voting shares that would be sufficient, but for the operation of the control share law, to enable the acquiring person to exercise the following proportions of the voting power of the corporation in the election of directors: (1) one-fifth or more but less than one-third; (2) one-third or more but less than a majority; or (3) a majority or more. The ability to exercise this voting power may be direct or indirect, as well as individual or in association with others.

The effect of the control share law is that an acquiring person, and those acting in association with such person, will obtain only such voting rights in the control shares as are conferred by a resolution of the shareholders of the corporation, approved at a special or annual meeting of shareholders. The control share law contemplates that voting rights will be considered only once by the other shareholders. Thus, there is no authority to take away voting rights from the control shares of an acquiring person once those rights have been approved. If the shareholders do not grant voting rights to the control shares acquired by an acquiring person, those shares do not permanently become non-voting shares. The acquiring person is free to sell the shares to others. If the buyer or buyers of those shares themselves do not acquire a controlling interest, the shares are not governed by the control share law.

If control shares are accorded full voting rights and the acquiring person has acquired control shares with a majority or more of the voting power, and shareholder of record, other than the acquiring person, who did not vote in favor of approval of voting rights, is entitled to demand fair value for such shareholder's shares.

In addition, Nevada has a business combination law which prohibits certain business combinations between Nevada corporations and "interested stockholders" for three years after the "interested stockholder" first becomes an "interested stockholder," unless the corporation's board of directors approves the combination in advance. For purposes of Nevada law, an "interested stockholder" is any person who is (i) the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the outstanding voting shares of the corporation, or (ii) an affiliate or associate of the corporation and at any time within the three previous years was the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the then outstanding shares of the corporation. The definition of the term "business combination" is sufficiently broad to cover virtually any kind of transaction that would allow a potential acquirer to use the corporation's assets to finance the acquisition or otherwise to benefit its own interests rather than the interests of the corporation and its other stockholders.

The effect of Nevada's business combination law is to potentially discourage parties interested in taking control of the company from doing so if it cannot obtain the approval of the company's board of directors.

FINANCIAL STATEMENTS

VIRTUAL COMMUNICATIONS CORPORATION
CONSOLIDATED BALANCE SHEETS

		December 31, 2015 (UNAUDITED)		December 31, 2014 (AUDITED)
ASSETS				
Current assets				
Cash	$	18,670	$	424,243
Accounts receivable, net of $38,023 and $38,023 of allowance for doubtful accounts, respectively		92,365		35,109
Due from a related party		-		-
Inventory		-		-
Prepaid expenses		-		2,665
Total current assets		111,035		462,017
Fixed assets, net of $235,137 and $229,200 of accumulated depreciation, respectively		4,307		10,244
Software development, net of $24,028 and $17,114 of accumulated amortization, respectively		79,683		86,597
Capatalized loan fees, net of $4,930 and $4,930 of accumulated depreciation, respectively		-		-
Total Assets	$	195,025	$	558,858
LIABILITIES				
Current Liabilities				
Accounts payable and accrued liabilities	$	308,719	$	53,622
Deferred revenue		142,960		35,309
Notes payable (current portion)		4,536,750		1,980,250
Rent payable to a related party		-		457,179
Total current liabilities		4,988,429		2,526,360
Notes payable		188,800		2,755,500
Total Liabilities				

	5,177,229	5,281,860
STOCKHOLDERS' DEFICIT		
Series A Convertible Preferred; 5,000,000 shares authorized at $0.001 par value; -0- and -0- issued and outstanding at December 31, 2014 and December 31, 2013, respectively	-	-
Common stock; 100,000,000 shares authorized at $0.001 par value; 25,168,462 and 25,124,974 issued and outstanding at December 31, 2015 and December 31, 2014, respectively	25,168	25,125
Common stock payable	-	-
Additional paid-in capital	496,737	310,036
Accumulated deficit	(5,504,109)	(5,058,163)
Total stockholders' deficit	(4,982,204)	(4,723,002)
Total liabilities and stockholders' deficit	$ 195,025	$ 558,858

The accompanying notes are an integral part of these condensed financial statements.

VIRTUAL COMMUNICATIONS CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Year Ended December 31, 2015 (UNAUDITED)	For the Year Ended December 31, 2014 (AUDITED)
REVENUE, NET	$ 632,922	$ 450,634
Cost of goods sold	242,791	208,604
GROSS PROFIT	390,131	242,030
OPERATING EXPENSES		
Rent expense	25,288	229,359
Legal and professional	269,932	586,619
Marketing and advertising	13,415	61,913
Payroll expenses	409,931	523,859
Utilities	16,899	20,357
General and administrative	104,100	148,685
Total Operating Expenses	839,565	1,570,792
NET LOSS FROM OPERATIONS	(449,434)	(1,328,762)
OTHER INCOME (EXPENSE)		
Depreciation and amortization	(12,852)	(15,805)
Bad debt expense	-	(33,349)
Interest expense	(346,051)	(405,491)
Debt capital finance charges	(66,850)	(221,250)
Gain on rent payable extinguished	428,846	-
Rental income	-	2,500
Interest income	395	525
TOTAL OTHER EXPENSE	3,488	(672,870)
NET LOSS BEFORE INCOME TAXES	(445,946)	(2,001,632)

PROVISION FOR INCOME TAX	-	-
NET LOSS FOR THE PERIOD	$ (445,946)	$ (2,001,632)
BASIC AND DILUTED (LOSS) PER COMMON SHARE	$ (0.02)	$ (0.08)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES (Basic and Diluted)	25,147,121	25,105,410

The accompanying notes are an integral part of these condensed financial statements.

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VIRTUAL COMMUNICATIONS CORPORATION

CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT

	Series A Preferred		Common Stock		Additional Paid-in	Deficit Accumulated During Development	Total Stockholders'
	Issued	Amount	Issued	Amount	Capital	Stage	Equity (Deficit)
Balance, December 31, 2012 (audited)	-	$ -	25,000,000	$ 25,000	$ 246,672	$ (1,602,060)	$ (1,330,388)
Shares issued for consulting services	-	-	5,400	5	2,695	-	2,700
Shares issued for consulting services	-	-	7,700	8	3,842	-	3,850
Shares issued for consulting services	-	-	29,330	29	14,638	-	14,667
Shares issued for consulting services	-	-	31,900	32	15,918	-	15,950
Net loss	-	-	-	-	-	(1,454,471)	(1,454,471)
Balance, December 31, 2013 (audited)	-	-	25,074,330	25,074	283,765	(3,056,531)	(2,747,692)
Shares issued for consulting services	-	-	27,254	27	13,600	-	13,627
Capital contributed by officer	-	-	-	-	1,000	-	1,000
Shares issued for consulting services	-	-	18,890	19	9,426	-	9,445
Shares issued for consulting					2,245		

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services	-	-	4,500	5		-	2,250
Net loss	-	-	-	-	-	(2,001,632)	(2,001,632)
Balance, December 31, 2014 (audited)	-	-	**25,124,974**	**25,125**	**310,036**	**(5,058,163)**	**(4,723,002)**
Shares issued for consulting services	-	-	14,042	14	7,007	-	7,021
Shares issued for consulting services	-	-	17,460	17	8,713	-	8,730
Capital contributed by officer	-	-	-	-	75,000	-	75,000
Shares issued for consulting services	-	-	10,972	11	5,475	-	5,486
Capital contributed by officer	-	-	-	-	50,000	-	50,000
Shares issued for consulting services	-	-	1,014	1	506	-	507
Capital contributed by officer	-	-	-	-	40,000	-	40,000
Net loss	-	-	-	-	-	(445,946)	(445,946)
Balance, December 31, 2015 (unaudited)	**- $**	**-**	**25,168,462 $**	**25,168 $**	**496,737 $**	**(5,504,109) $**	**(4,982,204)**

The accompanying notes are an integral part of these financial statements.

VIRTUAL COMMUNICATIONS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended December 31, 2015 (UNAUDITED)	For the Year Ended December 31, 2014 (AUDITED)
OPERATING ACTIVITIES		
Net loss	$ (445,946)	$ (2,001,632)
Adjustments to reconcile net loss from operations:		
Bad debt expense	-	33,349
Depreciation and amortization	12,852	15,805
Common stock issued for services	21,744	25,322
Officer debt forgiven	-	168,000
Gain on rent payable extinguished	(428,846)	-
Change in operating assets and liabilities:		
Decrease (increase) in accounts receivable	(57,256)	9,152
Decrease (increase) in prepaid expenses	2,665	(2,665)
Increase in deferred revenue	107,650	21,949
Decrease in rent payable to a related party	(28,333)	(603,577)
Increase in accrued interest	274,817	1,838
Increase (decrease) in accounts payable and accrued expense	(19,720)	9,330
Net cash used in operating activities	(560,373)	(2,323,129)
INVESTING ACTIVITIES		
Purchase of furniture and equipment	-	(4,159)
Investment in software development	-	-
Net cash used in investing activities	-	(4,159)
FINANCING ACTIVITIES		
Contributions from officers	165,000	1,000
Proceeds from notes payable	188,800	2,187,500
Repayment of notes payable	(199,000)	(327,500)

Net cash provided by financing activities	154,800	1,861,000
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(405,573)	(466,288)
CASH AND CASH EQUIVALENTS		
-BEGINNING OF PERIOD	424,243	890,531
CASH AND CASH EQUIVALENTS		
-END OF PERIOD	$ 18,670	$ 424,243
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$ 346,051	$ 403,654
Cash paid for taxes	$ 109,158	$ 122,308
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Furniture and equipment contributed at inception	$ -	$ -

The accompanying notes are an integral part of these condensed financial statements.

VIRTUAL COMMUNICATIONS CORPORATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015 & 2014
(Unaudited)

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Virtual Communication Corporation hereinafter, ("the Company", "Wintech", or "VCC") was incorporated in the State of Nevada on January 26, 2012. The Company's wholly owned subsidiary Wintech, LLC was organized in the State of Nevada on August 13, 2010.

WinTech has produced A.L.I.C.E. A Live Interactive Communication Experience. ALICE is a technology platform to bring face to face video interactions to help revolutionize how businesses interact with customers. WinTech's first product to market is ALICE Receptionist. ALICE Receptionist is a building visitor management solution that brings professionalism, security, face to face interaction, and substantial cost savings to any business that needs to manage building visitor traffic. The Company has developed product demonstration videos and testimonials which may be viewed on its website http://www.alicereceptionist.com.

Basis of Presentation

There is no bankruptcy, receivership, or similar proceedings against our company. These statements and the term "Company" refer to the consolidated financial condition and operations of Virtual Communications Corporation and its wholly owned subsidiary Wintech, LLC since August 13, 2010.

The accompanying audited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules and regulations of the United States Securities and Exchange Commission for annual financial information.

Going Concern

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. Its ability to continue as a going concern is dependent upon the ability of the Company to obtain the necessary financing to meet its obligations and pay its liabilities arising from normal business operations when they come due. Furthermore, as of December 31, 2015, the Company has accumulated losses from inception (August 13, 2010) of $5,504,109. Likewise, net cash of $4,843,906 has been used in operations during the same period. The outcome of these matters cannot be predicted with any certainty at this time and raise substantial doubt that the Company will be able to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities which may be necessary should the Company be unable to continue as a going concern. Management believes that the Company will need to obtain additional funding by borrowing funds from its directors and officers, or a private placement of common stock through various sales and public offerings.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements involves the use of estimates, which have been made using judgment. Actual results may vary from these estimates.

The financial statements have, in management's opinion, been prepared within the framework of the significant accounting policies summarized below:

Cash and Cash Equivalents

The Company considers highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents.

VIRTUAL COMMUNICATIONS CORPORATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015 & 2014
(Unaudited)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

Fair value accounting establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2 Quoted prices in markets that are not active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and

Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company's financial instruments consist of cash, accounts payable and accrued liabilities. The carrying amount of these financial instruments approximates fair value due to either length of maturity or interest rates that approximate prevailing market rates unless otherwise disclosed in these financial statements.

Revenue Recognition

The Company recognizes revenue on an accrual basis. The Company generally earns revenue through the sale of software keys, hardware terminals, and service and maintenance contracts. Furthermore, the Company's portions of any fees collected are non-refundable. Revenue is generally realized or realizable and earned when all of the following criteria are met: 1) persuasive evidence of an arrangement exists between the Company and our customer(s); 2) services have been rendered; 3) our price to our customer is fixed or determinable; and 4) collectability is reasonably assured. For the year ended December 31, 2015 and 2015, the Company recognized revenues of $670,886 and $469,712 with net returns and discounts of $37,964 and $19,078, respectively for which each of the four aforementioned criteria were satisfied.

Deferred Revenue

The Company offers maintenance and support contracts and subscription services to its clients. These service contracts cover an average period of 1 year. The revenue received for these contracts is initially recorded as deferred revenue and recognized as revenue in the statement of operation in even intervals over the service period covered by the contract. Some support and maintenance contracts are paid on a monthly basis and are recorded as revenue when received. During the year ended December 31, 2015 and 2014 the Company received $204,859 and $63,464 in subscription, maintenance, and support fees of which $97,209 and $41,515 were recorded as revenue, respectively.

VIRTUAL COMMUNICATIONS CORPORATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015 & 2014
(Unaudited)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. Concentrations of credit risk (whether on or off balance sheet) that arise from financial instruments exist for groups of customers or counter parties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions described below.

Financial instruments that potentially subject the Company to significant concentration of credit risk consist primarily of cash, cash equivalents, and marketable debt securities. The primary focus of the Company's investment strategy is to preserve capital and meet liquidity requirements. The Company's investment policy addresses the level of credit exposure by limiting the concentration in any one corporate issuer or sector. To manage the risk exposure, the Company maintains its portfolio of cash and cash equivalents and short-term and long-term investments.

Allowance for Doubtful Accounts

Management periodically reviews accounts receivable and records a bad debt expense for accounts that are deemed less than likely to be collected. The accounts are evaluated in 30 day increments from the current balance sheet date from 90 days prior. Any accounts current to 30 days aging are weighted with a 100% probability of collection unless certain factors indicate otherwise; accounts aging 31 to 60 days are weighted 60%, accounts again 61 to 90 are weighted 50%, and those accounts 90 days or older are weighted 25% probability of collection. Any accounts subsequently collected from the date of the balance sheet are given a 100% weight.

As of December 31, 2014, the Company had $9,569 in accounts aging 31 to 60 days and $45,595 in accounts aging over 90 days which had not been subsequently collected. Accordingly, the Company recorded a bad debt expense of $33,349 for the year ended December 31, 2014. As of December 31, 2013, the Company had $1,742 in accounts aging 61 to 90 days which had not been subsequently collected and $939 in accounts again 90 days or more which had not subsequently been collected. Accordingly, the Company recorded a bad debt expense of $1,575 for the year ended December 31, 2013. No additional bad debt expense was recorded during the year ended December 31, 2015.

Fixed Assets

Property and equipment is recorded at cost, net depreciation. Depreciation is calculated principally on the straight-line method over the following estimated useful lives:

	Years
Equipment	5 - 7
Computers	3 - 5
Software	3

The Company generally does not capitalize asset purchases of $500 or less.

Software Development

Software development consists of costs expended in the production of the Company's flagship software package. The Company capitalizes software development costs in accordance with ASC 985-20-25. The software's technological feasibility was achieved upon the Company's inception and the general release date was March, 2013 after which all such costs are expensed as costs of goods sold or general and administrative expenses on the statement of operations. Amortization of software development costs are calculated on the straight-line method over the estimated useful life of 15 years.

VIRTUAL COMMUNICATIONS CORPORATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015 & 2014
(Unaudited)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Per Share Data

In accordance with "ASC 260 - Earnings per Share", the basic loss per common share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding. Diluted loss per common share is computed similar to basic loss per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. At December 31, 2015 and 2014, the Company had no stock equivalents that were anti-dilutive and excluded in the loss per share computation.

Stock-Based Compensation

The Company records stock based compensation in accordance with the guidance in ASC Topic 718 which requires the Company to recognize expenses related to the fair value of its employee stock option awards and the issuance of common stock for services. This eliminates accounting for share-based compensation transactions using the intrinsic value and requires instead that such transactions be accounted for using a fair-value-based method. Accordingly, the Company recognized stock-based compensation expense of $21,744 and $25,322 during the years ended December 31, 2015 and 2014, respectively (see Note 8).

Advertising Costs

Advertising costs are to be expensed as incurred in accordance to Company policy; for the year ended December 31, 2015 and 2014 advertising expenses totaled $13,415 and $61,913, respectively.

Cost of Goods Sold

Cost of goods sold includes computer equipment, video displays, component parts, and shipping supplies. Shipping and handling costs are not a significant portion of the cost of revenue. Materials and supplies are ordered as the need for them is incurred on a particular project. Accordingly, the Company does not hold or store any inventory.

Income taxes

The Company records income taxes under the asset and liability method in accordance with ASC Topic 740, "Income Taxes", whereby deferred tax assets and liabilities are recognized based on the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and attributable to operating loss and tax credit carryforwards. Accounting standards regarding income taxes requires a reduction of the carrying amounts of deferred tax assets by a valuation allowance, if based on the information available it is more likely than not that such assets will not be realized. Accordingly, the need to establish valuation allowances for deferred tax assets is assessed at each reporting period based on a more-likely-than-not realization threshold. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, the duration of statutory carryforward periods, the Company's experience with operating loss and tax credit carryforwards not expiring unused, and tax planning alternatives.

Recent Accounting Pronouncements

On May 28, 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers. The standard will eliminate the transaction- and industry-specific revenue recognition guidance under current U.S. GAAP and replace it with a principle based approach for determining revenue recognition. This standard has the potential to affect every entity's day-to-day accounting and, possibly, the way business is executed through contracts with customers.

VIRTUAL COMMUNICATIONS CORPORATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015 & 2014
(Unaudited)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Public entities are required to adopt the revenue recognition standards for reporting periods beginning after December 15, 2016, and interim and annual reporting periods thereafter (which equates to January 1, 2017 for public entities with a December 31 year-end). Early adoption of ASU 2014-09 is not permitted for public entities. Nonpublic entities are required to apply the revenue recognition standard for annual reporting periods beginning on or after December 15, 2017, and interim reporting periods within annual reporting periods beginning after December 15, 2018. Alternately, nonpublic entities can elect several variations of early adoption not earlier than public entities. FASB ASU No. 2014-09 will amend FASB Accounting Standards Codification® (ASC) by creating Topic 606, Revenue from Contracts with Customers and Subtopic 340-40, Other Assets and Deferred Costs—Contracts with Customers.

Management has evaluated all other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the American Institute of Certified Public Accountants, and the SEC did not, or are not believed by management to, have a material impact on the Company's present or future financial position, results of operations or cash flows.

NOTE 3 – DUE FROM A RELATED PARTY

During 2012 the Company advanced $56,000 to 3 officers of the Company for a total of $168,000. The amounts advanced are unsecured, due on demand, and carry a 3% interest rate that may be waived by management if the amounts are repaid within 30 days of repayment demand by the Company. Interest has not been accrued on these amount since it is more than likely the amount will be repaid within 30 days of the demand by the Company. The Board of Directors voted to forgive this debt during 2014 and the $168,000 was expensed under the income statement caption 'Legal and professional fees'.

NOTE 4 – FIXED ASSETS

Property and equipment consist of the following at December 31:

	Life	2015	2014
Computers equipment	3-5	$ 220,589	$ 220,589
Furniture and equipment	5-7	8,621	8,621
Software	3	10,234	10,234
Less accumulated depreciation		(235,137)	(229,200)
Net book value, December 31		$ 4,307	$ 10,244

Depreciation expense for the year ended December 31, 2015 and 2014 was $5,938 and $8,891, respectively.

NOTE 5 – SOFTWARE DEVELOPMENT

Property and equipment consist of the following at December 31:

	Life	2015	2014
Software development costs	15	$ 103,711	$ 103,711
Less accumulated amortization		(24,028)	(17,114)
Net book value, December 31		$ 79,683	$ 86,597

Amortization expense for the year ended December 31, 2015 and 2014 was $6,914 and $6,914, respectively.

VIRTUAL COMMUNICATIONS CORPORATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015 & 2014
(Unaudited)

NOTE 6 – RENT PAYABLE TO A RELATED PARTY

On August 11, 2011 the Company entered into a lease agreement with a party under common management. The lease covers office space of 11,000 square feet with a base rent of 2.15 per square foot with an annual CPI adjustment. The lease also carries an operating expense fee of $0.27 per square foot, a late fee of 5%, and interest on unpaid balances of the 2% over the Prime Interest Rate as periodically issued. The lease was assigned to the Company by an entity under common management on August 1, 2011 at which date the accrued rent was $561,213 with $97,262 in late penalties and $28,197 in interest. The lease expired on September 1, 2014. As of December 31, 2015 this debt was forgiven by the related party and it has been extinguished. Accordingly, a gain of $428,846 was recorded in relation to the extinguishment of this debt.

As of December 31, 2015 and 2015 $-0- and $34,179 of interest expense has been charged in relation to the lease.

NOTE 7 – NOTES PAYABLE

The Company has entered into a series of notes payable with several unrelated parties; all notes containing identical terms from the date of consummation. The notes are unsecured, bearing an interest rate of 9%, and due within 18 months from the execution date with an option to extend for six months. The notes also carry a late fee of 5% after a 5-day grace period and are conditionally guaranteed by an officer of the Company.

During the year ended December 31, 2015 and 2014 the Company received proceeds of $188,800 and $2,187,500 and made repayments of $199,000 and $327,500, respectively from the aforementioned notes. Accordingly as a result of these notes payable, for the year ended December 31, 2015 and 2014, the Company recorded interest expense of $346,018 and $371,229, respectively.

As of December 31, 2015 the Company is in default on the principal and interest payments due on a series of these notes payable.

NOTE 8 – STOCKHOLDERS' EQUITY (DEFICIT)

Series A Convertible Preferred

The Company has authorized 5,000,000 of Series A Convertible Preferred stock with a par value of $0.001. These shares are entitled to a 7% non-cumulative dividend with liquidation preferences and are convertible into common stock at an initial 20% discount of the average closing bid price of the common stock for thirty consecutive trading days preceding the conversion date. The shares are entitled to one vote for every share of common stock that would result upon the conversion of the preferred shares to common shares. As of December 31, 2015 there was -0- shares of Series A Convertible Preferred stock issued and outstanding.

Common Stock

The Company has 100,000,000 common shares authorized at a par value of $0.001 per share.

Common Stock Issued

During the three months ended March 31, 2014 the Company issued 27,254 shares of common stock for services at a price of $0.50 per share for a total value of $13,627.

On April 4, 2014 an officer of the Company contributed $1,000 of capital to the Company.

During the three months ended June 30, 2014 the Company issued 18,890 shares of common stock for services at a price of $0.50 per share for a total value of $9,445.

During the three months ended December 31, 2014 the Company issued 4,500 shares of common stock for services at a price of $0.50 per share for a total value of $2,250.

NOTE 8 – STOCKHOLDERS' DEFICIT - (CONTINUED)

During the three months ended March 31, 2015 the Company issued 14,042 shares of common stock for services at a price of $0.50 per share for a total value of $7,021.

During the three months ended June 30, 2015 the Company issued 17,460 shares of common stock for services at a price of $0.50 per share for a total value of $8,730.

During the three months ended June 30, 2015 an officer of the Company contributed $75,000 in cash to the Company.

During the three months ended September 30, 2015 the Company issued 10,972 shares of common stock for services at a price of $0.50 per share for a total value of $5,486.

During the three months ended September 30, 2015 an officer of the Company contributed $50,000 in cash to the Company.

During the three months ended December 31, 2015 the Company issued 1,014 shares of common stock for services at a price of $0.50 per share for a total value of $507.

During the three months ended December 31, 2015 an officer of the Company contributed $40,000 in cash to the Company.

NOTE 9 – INCOME TAXES

The Company provides for income taxes under FASB ASC 740, Accounting for Income Taxes. FASB ASC 740 requires the use of an asset and liability approach in accounting for income taxes. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities.

FASB ASC 740 requires the reduction of deferred tax assets by a valuation allowance, if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. In the Company's opinion, it is uncertain whether they will generate sufficient taxable income in the future to fully utilize the net deferred tax asset. Accordingly, a valuation allowance equal to the deferred tax asset has been recorded. The total deferred tax asset since inception is $1,708,629 which is calculated by multiplying a 34% estimated tax rate by the cumulative net operating loss (NOL) adjusted for the following items:

For the period ended December 31,		2015		2014
Book loss for the year	$	(445,946)	$	(2,001,632)
Adjustments:				
Meals and entertainment		250		1,480
Book depreciation over tax		-		-
Stock based compensation		21,744		25,322
Bad debt expense		-		33,349
Deferred revenue		107,650		21,949
Tax loss for the year	$	(316,302)	$	(1,919,532)
Estimated effective tax rate		34%		34%
Deferred tax asset	$	(107,543)	$	(652,641)

VIRTUAL COMMUNICATIONS CORPORATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
December 31, 2015 & 2014
(Unaudited)

NOTE 9 – INCOME TAXES - (CONTINUED)

The total valuation allowance is $1,708,629. Details for the last two periods are as follows:

As of December 31,		2015		2014
Deferred tax asset	$	1,708,629	$	1,601,086
Valuation allowance		(1,708,629)		(1,601,086)
Net deferred tax asset		-		-
Income tax expense	$	-	$	-

Below is a chart showing the estimated corporate federal cumulative net operating loss (NOL) carry forward of $5,025,378 and the years in which it will expire.

Year	Amount	Expiration
2015	$ 316,302	2035
2014	$ 1,919,532	2034
Prior to 2014	$ 2,789,544	Prior to 2034

NOTE 10 - SUBSEQUENT EVENTS

The Company has evaluated events subsequent to the balance sheet date through the issuance date of these financial statements in accordance with FASB ASC 855 and has determined there are no further events that would require adjustment to, or disclosure in, the financial statements

JOINT
EXHIBIT
13
2/24/20

PART II AND III 45 preliminaryofferingmty.htm OFFERING CIRCULAR PART II AND III

PRELIMINARY OFFERING CIRCULAR DATED AUGUST 17, 2015

VIRTUAL COMMUNICATIONS CORPORATION

ALICE RECEPTIONIST

319 East Warm Springs Road, Suite 100,
Las Vegas, Nevada, 89119
www. virtualcommunicationscorp.com
up to
10,000,000 UNITS
each consisting of one share of Common Stock
and two Warrants
SEE "SECURITIES BEING OFFERED" AT PAGE 25

	Price to Public	Underwriting discount and commissions**	Proceeds to Issuer	Proceeds to other persons
Per unit	$2-4*			N/A
Total Minimum	$2.5 million		$2.5 million	N/A
Total Maximum	$20.0 million		$20.0 million	N/A

* The company will provide final pricing information in a final or supplemental Offering Circular.
** The company has not determined whether to engage underwriters in connection with this offering.

The company expects that the amount of expenses of the offering that it will pay will be approximately $100,000.The company has not engaged any "finders."

This offer will terminate on August 17, 2015. The company has engaged Provident Trust Group as escrow agent to hold any funds that are tendered by investors, and assuming it sells a minimum of $2.5 million in shares, may hold a series of closings at which the company receives the funds from the escrow agent and issues the shares to investors. In the event the company has not sold the minimum amount of shares by August 17, 2015, any money tendered by potential investors will be returned to them by the escrow agent.

THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION DOES NOT PASS UPON THE MERITS OR GIVE ITS APPROVAL OF ANY SECURITIES OFFERED OR THE TERMS OF THE OFFERING, NOR DOES IT PASS UPON THE ACCURACY OR COMPLETENESS OF ANY OFFERING CIRCULAR OR OTHER SOLICTTATION MATERIALS. THESE SECURITIES ARE OFFERED PURSUANT TO AN EXEMPTION FROM REGISTRATION WITH THE COMMISSION; HOWEVER THE COMMISSION HAS NOT MADE AN INDEPENDENT DETERMINATION THAT THE SECURITIES OFFERED ARE EXEMPT FROM REGISTRATION.

GENERALLY NO SALE MAY BE MADE TO YOU IN THIS OFFERING IF THE AGGREGATE PURCHASE PRICE YOU PAY IS MORE THAN 10% OF THE GREATER OF YOUR ANNUAL INCOME OR NET WORTH. DIFFERENT RULES APPLY TO ACCREDITED INVESTORS AND NON-NATURAL PERSONS. BEFORE MAKING ANY REPRESENTATION THAT YOUR INVESTMENT DOES NOT EXCEED APPLICABLE THRESHOLDS, WE ENCOURAGE YOU TO REVIEW RULE 251(d)(2)(i)(C) OF REGULATION A. FOR GENERAL INFORMATION ON INVESTING, WE ENCOURAGE YOU TO REFER TO www.investor.gov.

This offering is inherently risky. See "Risk Factors" on page 4.

Sales of these securities will commence on approximately [date].

The company is following the "Offering Circular" format of disclosure under Regulation A.

AN OFFERING STATEMENT PURSUANT TO REGULATION A RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE SECURITIES AND EXCHANGE COMMISSION. INFORMATION CONTAINED IN THIS PRELIMINARY OFFERING CIRCULAR IS SUBJECT TO COMPLETION OR AMENDMENT. THESE SECURITIES MAY NOT BE SOLD NOR MAY OFFERS TO BUY BE ACCEPTED BEFORE THE OFFERING STATEMENT FILED WITH THE COMMISSION IS QUALIFIED. THIS PRELIMINARY OFFERING CIRCULAR SHALL NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR MAY THERE BE ANY SALES OF THESE SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE UNLAWFUL BEFORE REGISTRATION OR QUALIFICATION UNDER THE LAWS OF SUCH STATE. WE MAY ELECT TO SATISFY OUR OBLIGATION TO DELIVER A FINAL OFFERING CIRCULAR BY SENDING YOU A NOTICE WITHIN TWO BUSINESS DAYS AFTER THE COMPLETION OF OUR SALE TO YOU THAT CONTAINS THE URL WHERE THE FINAL OFFERING CIRCULAR OR THE OFFERING STATEMENT IN WHICH SUCH FINAL OFFERING CIRCULAR WAS FILED MAY BE OBTAINED.

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In this Offering Circular, the term "VCC" or "the company" refers to Virtual Communications Corporation and its subsidiary, Wintech LLC, on a consolidated basis.

RISK FACTORS

The SEC requires the company to identify risks that are specific to its business and its financial condition. The company is still subject to all the same risks that all companies in its industry, and all companies in the economy, are exposed to. These include risks relating to economic downturns, political and economic events and technological developments (such as hacking and the ability to prevent hacking). Additionally, early-stage companies are inherently more risky than more developed companies. You should consider general risks as well as specific risks when deciding whether to invest.

The company is a development-stage company.

VCC was formed in 2010 (as Wintech LLC) and made its first sales in 2011. Accordingly, the company has a limited history upon which an evaluation of its performance and future prospects can be made. VCC's current and proposed operations are subject to all the business risks associated with new enterprises. These include likely fluctuations in operating results as the company reacts to developments in its market, including purchasing patterns of customers and the entry of competitors into the market. VCC will only be able to pay dividends on any shares once its directors determine that it is financially able to do so.

The company depends on one primary product.

The company's primary product is the ALICE Receptionist system. Although it is developing other products, the company's survival in the near term depends upon being able to sell ALICE to sufficient customers to make a profit. The company's current customer base is still small and the company will only succeed if it can attract more customers for its primary product.

If the company cannot raise sufficient funds it will not succeed.

VCC is offering stock in the amount of up to $20 million in this offering, and may close on an offering of $2.5 million. Even if the maximum amount is raised, the company is likely to need additional funds in the future in order to grow, and if it cannot raise those funds for whatever reason, including reasons relating to the company itself or to the broader economy, it may not survive. If the company manages to raise only the minimum amount of funds sought, it will have to find other sources of funding for some of the plans outlined in "Use of Proceeds."

Future fundraising may affect the rights of investors.

In order to expand, the company is likely to raise funds again in the future, either by offerings of securities or through borrowing from banks or other sources. The terms of future capital-raising, such as loan agreements, may include covenants that give creditors greater rights over the financial resources of the company.

The company depends on a small management team.

The company depends on the skill and experience of four individuals, Ron Robinson, Vernon Rodriguez, Mike Yoder and Frank Yoder. Each has a different skill set. Mr. Robinson is 83 years old. If the company is not able to call upon one of these people for any reason, its operations and development could be harmed. The company intends to seek a new CEO to replace Mr. Robinson, but it cannot assure investors that it will identify suitable candidates in the near term.

The company is controlled by its officers and directors.

The company's officers and directors currently hold all of the company's voting stock, and at the conclusion of this offering will continue to hold a majority of the company's common stock. Investors in this offering will not have the ability to control a vote by the shareholders or the board of directors.

New competitors may enter the market.

The company operates in a relatively new market and the competitive landscape is not yet clear. New competitors may enter the market with an expanded range of products at a lower cost, targeting the same customer base, which may force the company to cut prices.

Competitors may be able to call on more resources than the company.

While the company believes that the ALICE Receptionist system is unique, it is not the only way to address the issues of interacting with visitors to a business location, and the company has to compete with a number of other approaches, including models that are less technology-based, and with businesses making no change at all and retaining human receptionists. Additionally, competitors may replicate VCC's business ideas and produce directly competing products. These competitors may be better capitalized than VCC, which would give them a significant advantage. This would particularly be the case if major technology companies were to enter the market.

There is no current market for the common stock or warrants.

There is no formal marketplace for the resale of the common stock. The shares may be traded on the over-the-counter market to the extent any demand exists. Investors should assume that they may not be able to liquidate their investment for some time, or be able to pledge their shares as collateral. There is unlikely to be any secondary market for the warrants.

DILUTION

Dilution means a reduction in value, control or earnings of the shares the investor owns.

Immediate dilution

An early-stage company typically sells its shares (or grants options over its shares) to its founders and early employees at a very low cash cost, because they are, in effect, putting their "sweat equity" into the company. When the company seeks cash investments from outside investors, like you, the new investors typically pay a much larger sum for their shares than the founders or earlier investors, which means that the cash value of your stake is diluted because eachshare of the same typeis worth the same amount, and you paid more for your shares than earlier investors did for theirs.

The following table compares the price that new investors are paying for their shares with the effective cash price paid by existing shareholders, assuming that the Units are priced in the mid-range of the estimates. It reflects all transactions since inception, which gives investors a better picture of what they will pay for their investment compared to the company's insiders than just including such transactions for the last 12 months, which is what the SEC requires.

	Shares	Price per share	Pre-financing %	Post-financing %	Value	Pro forma book value
Shares issued to founders	25,000,000	$0.0109	99.50	78.64	$272,672	
Shares issued for services	124,974	$0.5000	0.50	0.39	$62,491	
Investors in this offering, assuming $20 million	6,666,667	$3.0000		20.97	$20,000,000	
Total	31,791,641		100.00	100.00	$20,335,163	$0.64

During the last 12 months the company issued a total of 23,390 shares for services to non-affiliates at a price of $0.50 per share for a total of $11,696.

Future dilution

Another important way of looking at dilution is the dilution that happens due to future actions by the company. The investor's stake in a company could be diluted due to the company issuing additional shares. In other words, when the company issues more shares, the percentage of the company that you own will go down, even though the value of the company may go up. You will own a smaller piece of a larger company. This increase in number of shares outstanding could result from a stock offering (such as an initial public offering, another crowdfunding round, a venture capital round, angel investment), employees exercising stock options, or by conversion of certain instruments (e.g. convertible bonds, preferred shares or warrants) into stock.

If the company decides to issue more shares, an investor could experience value dilution, with each share being worth less than before, and control dilution, with the total percentage an investor owns being less than before. There may also be earnings dilution, with a reduction in the amount earned per share (though this typically occurs only if the company offers dividends, and most development stage companies such as VCC do not pay dividends for some time).

The type of dilution that hurts early-stage investors most occurs when the company sells more shares in a "down round," meaning at a lower valuation than in earlier offerings. An example of how this might occur is as follows (numbers are for illustrative purposes only):

- In June 2014 Jane invests $20,000 for shares that represent .02% of acompanyvalued at $1 million.
- In December the company is doing very well and sells $5million in shares to venture capitalists on a valuation (before the new investment) of $10 million. Jane now owns only 0 013% of the company but her stake is worth $200,000.
- In June 2015 the company has run into serious problems and in order to stay afloat it raises $1 million at a valuation of only $2 million (the "down round"). Jane now owns only 0.0089% of the company and her stake is worth only $26,660.

If you are making an investment expecting to own a certain percentage of the company or expecting each share to hold a certain amount of value, it's important to realize how the value of those shares can decrease by actions taken by the company. Dilution can make drastic changes to the value of each share, ownership percentage, voting control, and earnings per share.

PLAN OF DISTRIBUTION AND SELLING SECURITYHOLDERS

Plan of Distribution

The company may offer its securities through one or more underwriters or placement agents. The company has not yet selected any underwriter or placement agent, Any such arrangement will be on a "best efforts" basis, and the underwriter or placement agent will not be obligated to take any securities. The arrangement with any such persons will be on an agency basis.

The company will disclose the selling commission to be paid to underwriters or placement agents, if any are selected, by amendment to this Offering Circular. The company intends to pay commissions, if any, in cash. No other discounts or commissions will be paid to any other persons, including dealers.

The company intends to market the shares in this offering both through online and offline means. Online marketing may take the form of contacting potential investors through social media and posting the company's Offering Circular or "testing the waters" materials on an online investment platform. Offline marketing may take the form of solicitations of potential investors by brokers or the company.

The company is offering its securities in all states.

No securities are being sold for the account of securityholders; all net proceeds of this offering will go to the company.

Investors' Tender of Funds and Return of Funds

After the Offering Statement has been qualified by the Securities and Exchange Commission, the company will accept tenders of funds to purchase the Units. The company may close on investments on a "rolling" basis (so not all investors will receive their shares on the same date), and may accept the tender of funds before it is clear that the minimum amount sought will be raised. The funds tendered by potential investors will be held either by an escrow agent or by a registered broker-dealer, and will be transferred to the company upon closing. In the event the minimum amount the company is trying to raise is not reached, the escrow agent or broker-dealer will return the funds to investors. The company has engaged an escrow agent and the escrow agreement can be found in Exhibit X to the Offering Statement of which this Offering Circular is a part.

In the event that it takes some time for the company to raise funds in this offering, the company will rely on income from sales and cash on hand of $4,867 as of June 2015, plus a $100,000 commitment from an officer of the company, to continue its operations.

You will be required to complete a subscription agreement in order to invest. The subscription agreement includes a representation by the investor to the effect that, if you are not an "accredited investor" as defined under securities law, you are investing an amount that does not exceed the greater of 10% of your annual income or 10% of your net worth (excluding your principal residence).

USE OF PROCEEDS TO ISSUER

The net proceeds of this offering to the issuer, after the expenses of the offering (payment to any placement agent(s) for their services, professional fees and printing) will be approximately $19.9 million. VCC plans to use these proceeds as follows:

- Approximately $4.8 million to pay off the following indebtedness:
  - $4.73million in principal amount and $38,004in interest owed under Unsecured Term Notes from various lenders not affiliated with the company issue during the course of2012- 2013. The monies borrowed were used for software development, and to meet payroll and other company expenses. The loan under these Notes carries an interest rate of 9% per annum and is unsecured.
- Approximately $1 million for infrastructure, including cloud communications servers and network equipment to expand the capacity, reliability and quality of communications services and add cloud communications infrastructure in international markets including South America, Europe and Asia.
- Approximately $ 2 million for marketing and sales, includingdevelopment of global reseller and distribution channels as well as strategic partnerships with major telecom corporations. These activities will include direct marketing efforts, joint marketing efforts, brand awareness campaigns and other public relations activities including event sponsorships, incentive campaigns and exhibiting at conventions.
- Approximately $2.5 million for international expansion, including employee recruitment for management, sales, network and telecom support, fulfilment, software development and distribution channel executives.
- Approximately $2.0 million for operations, including an increase in staffing in all areas of operations including human relations and legal, increased office space and infrastructure.

Approximately $7.5 million, or 37.5% of the net proceeds assuming the maximum amount offered is raised, has not been allocated for any particular purpose.

Because the offering is a "best efforts" offering with a minimum offering size of $2.5 million, VCC may close the offering without sufficient funds for all the intended purposes set out above. If the offering size is $2.5 millionthen the company estimates that the net proceeds to the Issuer will be $2.4 millionand VCC will make the following adjustments to the above uses of proceeds:

- $3.8 million in debt repayment will be deferred.
- The remaining approximately $1.4 million will be used as follows; 13% for infrastructure, 27% for marketing and sales, 335 for international expansion and 275 for operations.

The company reserves the right to change the above use of proceeds if management believes it is in the best interests of the company.

THE COMPANY'S BUSINESS

Overview

The company's management founded Wintech LLC, now a wholly-owned subsidiary of the company, in 2010 in order to develop and market technology that assists businesses to interact with visitors to their physical premises. In 2012 VCC was incorporated and all the assets/ownership interests of Wintech were transferred to VCC. Wintech is the only subsidiary of VCC and all VCC's current operations are conducted through Wintech. The company is currently operational, and producing revenues, but has not yet realized any profits.

The company currently sells its product to businesses and government entities in the United States, Australia, Azerbaijan, Belgium, Bermuda, Brazil, Canada, China and New Zealand.

Principal Products and Services

The company's primary product is the ALICE ("A Live Interactive Communication Experience") Receptionist software. The ALICE system, provided as a software subscription model, permits businesses to control many aspects of handling visitors to their physical premises without the need for a designated member of staff to be located in the entity's reception area. A single staff member may remotely interact with visitors to a number of physical locations.

The company believes that the interactive ALICE system has a number of advantages over both traditional signage (paper and vinyl) and digital signage that offers only self-service (for example, touch-screens or kiosks with company directories and maps that require the visitor to navigate through multiple options to get the information required). While self-service screens and kiosks save money and resources, often a visitor is unable or unwilling to complete a transaction through a self-service system, and an on-demand, virtual, assisted screen or kiosk enables a back office employee or remote contact center to greet and assist the visitor immediately, improving customer service and satisfaction. Moreover, the ALICE system improves building security by augmenting door admittance technology, permitting the business to keep doors locked while still greeting visitors in a face-to-face manner.

The ALICE Receptionist software can run on desktop, wall-mounted and kiosk flat screens, and as discussed below, can run on a business's existing hardware or on new equipment purchased from VCC. The system is activated either through motion sensors or when the visitor touches a screen to start the process. An automated, customized video greeting in one of number of different languages prompts the visitor to start using the screen. An employee of the business being visited, either in the same building or at a remote location, can interact by video (one- or two-way) with the visitor, connect the visitor to the person he or she wants to visit (even if that person is off-premises), buzz the visitor in, answer questions and give directions. The interaction is not limited to a connection between the employee's office and the lobby, but can be operated from any desktop or mobile device. The system includes a company directory and office maps. It also provides the option for the visitor to leave a video or voice message for business employees.

The software can be hosted through the internet on the cloud, or, for enterprises with security concerns such as government entities, hosted in the enterprise's own computer systems.

The software service is currently offered at three subscription levels:

- The "Basic" subscription includes video and audio calls, cloud communications service, cloud content and user administration, company and department directories, employee directories, motion detection, visitor video preview and web pages. It is customizable in the business's corporate branding. It costs from $299 a month for a one-year contract to $239 a month for a five-year contract.
- The "Premium" subscription, which includes all the Basic functions and permits expanded content including images, video and widgets. It also includes VoIP phone support, Microsoft Lync support, operator mode, maps, ring groups and call management, Microsoft Active Directory support, remote watch, usage logs, and visitor badge printing. It is available in Englis, Spanish, French, German, Dutch, Japanese, Chinese and Portuguese. The Premium subscription costs from $399 a month for a one-year contract to $ 319 a month for a five-year contract.
- The "Enterprise" subscription, which includes all the functions described above, also includes the ability to check in and check out visitors, provide a building events listing, log visitor images and permit local administration of users and content. It is available in [list languages]. The Enterprise subscription costs from $499 a month for a one-year contract to $399 a month for a five-year contract.

In addition to selling software and services, the company sells packages of hardware on which the ALICE system can run, together with the software. The hardware, consisting of interactive screens, can range from simple desktop units to standalone kiosks. These range in price from $2,000to over $8,000. The company currently sources the hardware from EloTouchSystems GmbH,OlcaKiosks Inc. and ZIVELO INC. (USA) and ZIVELO Gmbh. The company purchases the hardware from the original equipment manufacturers and resells at a markup of approximately 10-20%. The company only orders hardware from the manufacturers in response to a customer order, and thus does not hold any inventory.

The company is currently developing additional products. The "ALICE Live!" personal receptionist service is intended as an add-on to the ALICE Receptionist software package. This service would essentially be an outsourcing of the functions that would otherwise be carried out by an employee of the business to a third-party contact center, which will communicate with visitors, forward messages etc. from a remote location in one of several different languages. The company has not yet established a pricing model for this service.A service for hotels, the ALICE Concierge service, is in the conceptual phase.

Market

The market for the company's products is all businesses or other enterprises that have visitors to their physical premises, but do not wish to allocate their resources to having a dedicated receptionist.

According to the U.S. Energy Information Administration, there were 5,557,000 commercial buildings in the United States in 2012. Excluding buildings such as houses of worship, 4,316,000 of these buildings are potential ALICE customers, and many of these buildings are occupied by multiple tenants each with their own reception area.

According to the U.S. Bureau of Labor Statistics, 1,006,700 people were employed as receptionists in 2012, accounting for total aggregate salaries in excess of $26 billion.

The discrepancy between the number of buildings and the number of employed receptionists shows that less than a quarter of buildings have a full-time receptionist. The remainder use legacy lobby management systems, or have no lobby management system in place. ALICE Receptionist offers the opportunity to reduce salary expenses for businesses that employ receptionists and provide an affordable option to businesses without any receptionist.

If 12% of the commercial buildings in the United States were to adopt the ALICE system, at an average revenue of $5,000 per customer, the potential market size would be in excess of $2.5 billion.

The company has attracted customers from eight foreign countries without any marketing efforts outside the United States. The sales pipeline and reseller program includes potential customers from a broader range of countries, and the company plans to use part of the proceeds of this Offering for international marketing efforts.

Marketing/Distribution Channels

The ALICE Reseller Program is the primary method of marketing ALICE throughout the United States and abroad. Resellers are responsible for installation of the ALICE system and providing training and support to the customer. They pay VCC a program fee of $2,000 and receive a 25% discount from the manufacturer's suggested retail price ("MSRP") for ALICE services (not including hardware). VCC collects payments from the customers and pays the reseller either monthly or annually depending on the payment terms of the contract with the customer. The company currently has 21 resellers of its products

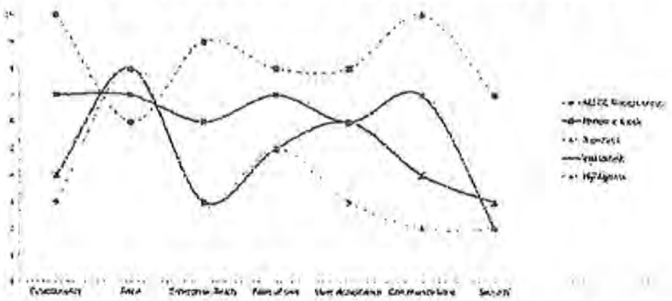
The company also has ten distribution agents, who receive a 15% discount from the MSRP. The agents are not responsible for installation and support. In the company's experience, it is not uncommon for companies to first sign up as distribution agents and later become resellers under the Reseller Program.

VCC intends to form strategic partnerships with companies that can expand the markets. Distribution and white labelling opportunities (the ability for the partners to sell the ALICE system under their own brands) may result in ALICE being marketed and sold by organizations with larger sales forces, extensive customer lists or networks of resellers. Strategic partnerships with international companies will allow ALICE to be marketed, branded and sold by companies who already operate in and understand international markets.The company also sells its products directly. The company augments its distribution programs with the ALICE website, internet ad campaigns, and marketing on social media.

Competition

COMPETITIVE POSITIONING MAP

The following chart sets out the factors that VCC believes distinguish the ALICE system from the products of the company's competitors.



A growing number of companies have entered the visitor management market over the last few years. Most of these have emulated components of the ALICE Receptionist technology and approach to visitor management, but the company believes that none are able to compete with ALICE across the board.

ALICE Receptionist remains competitively priced, while not striving to be the least expensive product in this space. The company's priority is to offer the most advanced, feature-rich, innovative product designed to manage multiple buildings for an organization as well as single office locations.

The company believes that that the ALICE Receptionist system has competitive advantages which resultfrom the following factors:

- Communications – ALICE Receptionist was developed using technology that the telecommunication industry has standardized on for VoIP communications. As a result ALICE integrates with products from telecommunications industry leaders such as Cisco, Avaya, Microsoft Lync, Polycomm, and many others.
- Cloud Infrastructure – ALICE Receptionist offers a complete cloud communications platform which enables customers around the globe to quickly come on-line with ALICE Receptionist services.
- Extensive Features – ALICE Receptionist has a list of mature features that exceeds any other product on the market for virtual receptionist technology and services.
- Enterprise Ready – ALICE Receptionist is designed to work in an enterprise environment. As a results ALICE easily integrates with technology that large organizations are already using, such as Active Directory, VoIP Phone systems, Microsoft Outlook and Google apps
- Ease of Use – ALICE Receptionist was designed with a "one-touch" philosophy which dictates that a visitor who may have never used an ALICE system before can be connected with a live person with a single touch. Alice also offers a no-touch option which requires no action by the visitor to be connected with a live person. This approach helps accelerate consumer adoption of this technology.

- Industry Leader – ALICE Receptionist leads not only from a competitive product comparison, but also in a rapidly growing market share which includes an expanding list of industry partners and resellers around the globe.

Research and Development

The company has spent $103,711 to date on the development of softwaresince inception.

Employees

The company currently employs seven people, of whom five are employed full-time, including the four people employed as the company's executive officers, and two are employed part-time . Additionally, the company engages one consultant.

Technology and Intellectual Property

The company generally provides the ALICE system via the "cloud" using third-party servers, hosted by CyberLynk and Microsoft. Clients with security concerns or policies that prevent external hosting can host the ALICE system completely within their corporate IT infrastructure.

ALICE currently operates on the Microsoft Windows platform.

ALICE voice and video communication is developed on the Session Initiation Protocol ("SIP") communication protocol, which is widely used for controlling communications sessions such as voice and video calls over Internet Protocol ("IP"). By standardizing on the SIP protocol, the company is able to take advantage of the many inherent features of that protocol, such as user mobility, flexibility with respect to media type, encryption ability, and the ability to communicate via voice, video, chat and instant messaging. Since SIP is used by most Voice over IP ("VoIP") providers, ALICE can communicate with a wide range of third party end points including VCC's own SIP-based ALICE Softphone, and smartphones with VOIP applications. ALICE can also integrate with Microsoft Lync devices and end points; so Microsoft Lync users are potential customers for the ALICE system.

ALICE video communication is currently developed using CounterPath's Software Development Kit ("SDK"). CounterPath is a technology leader in SIP communications and its technology is widely used by prominent technology companies. VCC licenses the SDK from CounterPath. By integrating CounterPath's technology, the company believes it will be able to leverage CounterPath's continued development of new features and benefit from easy integration with other CounterPath strategic partner products such as SIP Softphones developed by other companies.

The company is currently developing the next advancement in ALICE on WebRTC, an emerging technology which enables web browsers to implement real-time communications ("RTC") by means of simple JavaScript application programming interfaces ("APIs"), and which the company expects to replace the CounterPath SDK in the future. WebRTC is an open project (meaning that anyone can use the code being developed and no licenses are required) supported by Google. The company anticipates that this technology will enable VCC to extend ALICE beyond Microsoft Windows to Android, iOS and Linux based operating systems. The company anticipates that this development will result in lower system hardware cost for the ALICE systems , allowing VCC to pursue more aggressive pricing and reach a wider range of potential customers.

VCC has applied for a patent for the ALICE Receptionist process, which is pending.

Litigation

A complaint has been filed in the District Court of Clark County against the company and its CEO by one of its noteholder with respect to the notes that were issued in 2013. The company has answered the complaint and intends to pursue a defense or settlement.

The company's property

The company does not own any material physical property. It currently leases its premises, although under its lease agreement it has the option to buy its office building.

MANGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Results of Operations

As of the end of the second quarter of 2015, sales of ALICE Receptionist solutions have matched 2014 year end totals

The company has switched to a reoccurring revenue subscription pricing model which is intended to increase revenue from each new customer. Until July 2015, the company sold the ALICE system as a perpetual license with additional charges for maintenance and support contracts if the customer chose to contract for support.Revenue from the sales of such licenses was recognized when services were rendered and revenue from maintenance and support contracts was recognized over the service period covered by the contract (more detail about the conditions for recognition appears in Note 2 to the Company's financial statements). Starting July 1, 2015, the ALICE Receptionist product will only be available as a software subscription, which may be billed on a monthly or annual basis. Those subscriptions paid monthly will be recognized as revenue in the month in which they are received whereas annual subscriptions will recognized ratably over the subscription term. This change means that revenues for periods before 2015 and for periods within 2015 may not be readily comparable.

The company's net revenues for the year ended December 31, 2014 were $450,634,a 72% increase from $262,154 in 2013. Net revenues consist of all sales, less discounts and returns. The company's revenues were primarily derived from the sale of the ALICE system, which is composed of three primary components: hardware sales, software sales and support and maintenance contracts. For the year ended December 31, 2014, the company recorded $116,388 in hardware sales, $293,061 in software sales and $49, 102 in support and maintenance fees. All other income is from miscellaneous fees such as shipping and delivery. The primary driver of changes from the year ending December 31, 2013 was the increase in the company's customer base, although the proportion of sales from software also increased over this period.

Cost of goods primarily consists of computer equipment, video displays, component parts and shipping supplies. Software development costs were capitalized through March 2013, when the technological feasibility of the software was achieved, and from that point software development costs were expensed as costs of goods sold or general and administrative expenses. Cost of goods sold in 2014 was $208,604, a 34% increase from 2013, primarily due to the greater volume of sales. Gross profit (revenues less the cost of producing those revenues) in 2014 was $242,030, an increase over 2013 of 128%. Gross margins in 2014 were 54%, compared to 40% in 2013, primarily due to the change in product mix, as hardware includes a cost of goods components, unlike software.

The company's operating expenses consist of rent, payroll, professional services, marketing and advertising, utilities and general and administrative costs. Operating expenses in 2014 amounted to $1,570,792, a51% increase from $1,041,891 in 2013. The primary components of this increase were due to:

- A351% increase in legal and professional costs to $586,619, due to audit and accounting fees and the preparation of private placement documentation for an offering that was not pursuedand to the forgiveness of loans to three of the company's officers made in 2012. Those loans were made during the early stages of the company, before the company made any payroll payments to those officers.

- A 40% increase in payroll expenses to $523,859, due to the hiring of additional personnel in 2014 and the fact that the company only started paying its personnel in March of 2013 and thus 2013 included only nine months of payroll expenses.
- A 44% increase in general and administrative costs to $148,685due to increased operations.

The increases in operating expenses were offset by:

- A 33% decrease in rental expenses to $229,359, as a result of the expiration of the formal rental period on September 1, 2014 and the forbearance of rent by the related party lessor.

As a result of the foregoing factors, the company's net loss from operations was $1,328,762 in 2014, a 42% increase from losses of $935,724 in 2013.

Other expenses primarily consist of depreciation and amortization, bad debt expense, interest payments and debt capital finance charges. Other expenses amounted to $672,870in 2014, a 30% increase from $518,750 in 2013. The primary reasons for this change were:

- A 2,017% increase in bad debts, to $33,349, due to an increase in the volume of sales and number of customers.
- A 65% increase to $405,491 in interest expense, due to the incurrence of additional debt in 2014.

As a result of the foregoing factors, the company's net loss for 2014 was $2,001,632, an increase of 38% from a net loss of $1,454,474 in 2013.

The company's net revenues for 2013 were $262,154. The company's revenues were primarily derived from the sale of the ALICE system, comprising $82,608 in hardware sales, $80,442 in software sales and $48,873 in support and maintenance fees. Most of the company's customers purchase all three components when subscribing to the ALICE system.

Cost of goods sold in 2013 was $155,987. Gross profit in 2013 was $106,167.

Operating expenses in 2013were $1,041,891. The primary elements of this cost were:

- $343,098 in rent expenses.
- Legal and professional fees.
- Payroll expenses of $373,492, as the company paid salaries beginning March, 2013.

Other expenses amounted to $518,750in 2013. The primary components of this cost were:

- Interest expense of $246,418 under of which $54,843 was a result of interest accrued on past due rent payable to a related party and $191,575 resulting from $2,875,750 in notes payable

- Debt capital finance charges of $254,785 paid in the course of debt financing as a result of commissions paid on funds raised by an independent third party.
- Depreciation and amortization, related to initial software development, in the amount of $16,797.

As a result of the foregoing factors, the company's net loss for 2013 was $1,454,474.

Liquidity and Capital Resources

To date, the company has not made any profits and is still a "development stage company." While some financial resources have come from sales, sales only provide a fraction of the money needed to operate the company, and profits are not likely for some time. The company has recorded losses from the time of inception in the total amount of $5,058,166.

The company was initially capitalized by equity investments from its shareholders in the amount of $271,672and loans from the issuance of notes. The principal amount of notes outstanding as of December 31, 2014 was $4,735,750. The company additionally owed $457,179 in rent to a related party. While the company intends to pay off the notes with the proceeds of this offering, management will continue to seek additional contributions from its current owners. Management has also begun negotiations to open an operating line of credit. The company had cash on hand in the amount of $424,243 at December 31, 2014.

The company has not committed to make any capital expenditures, and in the event it does not raise sufficient funds from this offering, it will defer the capital expenditures it has planned. Since the company orders hardware as the need for it is incurred on a particular project, it does not need or keep any significant inventory.

Trend Information

Initially ALICE Receptionist was targeted to small and medium sized businesses and single office installations. Starting in 2014, the company introduced enterprise class features into the product and VCC's target market shifted upstream to larger corporations and government agencies with multiple locations. With these product enhancements,the company began seeing an increase of interest from larger companies. In 2015 the company has experienced a continuing increase in interest from large organizations looking to purchase multiple or many ALICE systems to deploy in office across states.

This market shift from smaller entities to enterprise and government customers, and the greatly-expanded functionality of the product led to the changes in pricing models that went into effect on July 1, 2015. The company believes that this pricing more accurately reflects the value VCC's current product offers to its current target market.

Customer demand in 2015 has been increasing and by the close of the second quarter 2015 the company matched total sales for all of 2014. VCC's sales pipeline has increased quarter over quarter while maintaining a small backlog on orders.

Backlog is generally driven by the supply of hardware manufacture on hand supply.Delivery of an ALICE system for software-only purchase is typically completed in a few days. Once an order is placed and funds received, the fulfillment team contacts the customer and schedules a day for remote installation, configuration and training of the software.For hardware orders, the system delivery can take between one and eight weeks depending on the hardware selected and any customized features.

DIRECTORS, EXECUTIVE OFFICERS AND SIGNIFICANT EMPLOYEES

The following table sets out the company's officers and directors. All work with the company on a full-time basis.

Name	Position	Age	Term of Office	
Executive Officers:				
Ron J. Robinson	CEO	83	Appointed to indefinite term of office, December 31, 2012	
S. Vernon Rodriguez	CFO	67	Appointed to indefinite term of office, December 31, 2012	
Michael T. Yoder	EVP and Chief technology Officer	47	Appointed to indefinite term of office, December 31, 2012	
Frank T. Yoder, Jr.	President	55	Appointed to indefinite term of office, December 31, 2012	
Directors:				
Ron J. Robinson	Chairman		Appointed to indefinite term of office, December 31, 2012	
S. Vernon Rodrigues	Director		Appointed to indefinite term of office, December 31, 2012	
Frank T. Yoder, Jr.	Director		Appointed to indefinite term of office, December 31, 2012	

Michael T. Yoder	Director		Appointed to indefinite term of office, December 31, 2012 .	

Frank Yoder and Mike Yoder are brothers.

Ron J. Robinson, CEO and Chairman of the Board

Ron Robinson is the company's CEO and Chairman of the Board. He has held this position since 2012 and is in charge of all policy and operations of the company. From 1997 to the present, he was Managing Member of National Commercial Properties, LLC and concurrently Director of Oasis Residential REIT. From 2010 onwards, he was Managing Member of Wintech, LLC, which is now a subsidiary of the company. Previously, Mr. Robinson served as President and CEO of CEC Industries, Inc. and President of and CEO of Crowne Ventures, Inc. He holds a BA/LLB degree from LaSalle Extension University. Mr. Robinson is a veteran of the US Air Force.

Simon Vernon Rodriguez, Chief Financial Officer

Vernon Rodriguez is the company's Chief Financial Officer. He has a background in sales, marketing and accounting strategies and systems for financial services firms. He has held this position since 2012and is in charge of financial policy and financial records of the company. Previously (from 2004 to present) he was a commercial real estate agent at National Commercial Properties, Inc., where his responsibilities were commercial real estate, leasing and management, and prior to that he was Vice President of Crowne Ventures, Inc., where he was National Sales and Marketing Director. He holds a degree in business and political science from the University of New Mexico.

Mike Yoder, EVP and Chief Technology Officer

Mike Yoder serves as the company's Executive Vice President and Chief Technology Officer. He is responsible for product vision and development, and the development of the company's global distribution channel partner program. He has held this position since 2010Previously, Mr. Yoder served as Chief Operating Officer of Advanced Information Systems (AIS), from 2001 to 2011. In this position, he was responsible for the development of AIS products

Frank Yoder, Vice President Marketing

Frank Yoder serves as the company's President, in which position he oversees the communications platform and sales and support teams. He has held that position since 2011. From 1987 to 2011, Frank founded and served as President of Advanced Information Systems (AIS). At AIS, Frank led AIS's Voice and Data department, which established contact centers throughout North America and Europe. Frank sits on the Computer Science Advisory Council for the College of Engineering at the University of Nevada Las Vegas, and is a board member of Nevada's Center for Entrepreneurship and Technology.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

For the fiscal year ended December 31, 2014 the company compensated itsfour highest-paid directors and executive officers as follows:

Name	Capacities in which compensation was received	Cash compensation ($)	Other compensation ($)	Total compensation ($)
Ron J. Robinson	Chief Executive Officer and Chairman	100,000	N/A	100,000
S. Vernon Rodriguez	Chief Financial Officer	85,000	N/A	85,000
Mike Yoder	EVP and Chief Technology Officer	85,000	N/A	85,000
Frank Yoder	Vice President, Marketing	85,000	N/A	85,000

For the fiscal year ended December 31, 2014, the company paidits directors as a group $255,000. There are four directors in this group. Directors do not receive directors' fees.

No accrued compensation is due to any member of management. The company has not paid Mr. Robinson the salary he is owed and he does not intend to accept that salary. The company does not have an option plan.

During 2012, the company advanced loans of $56,000 each to Vernon Rodriguez, Mike Yoder and Frank Yoder. The company's board of directors (on which each of these people serve) voted to forgive this debt during 2014, and a total of $168,000 was expensed as legal and professional fees.

SECURITY OWNERSHIP OF MANAGEMENT AND CERTAIN SECURITYHOLDERS

The following table sets out, as of August 10, 2015, the voting securities of the company that are owned by executive officers and directors, and other persons holding more than 10% of the company's voting securities, or having the right to acquire those securities. The company has only issued common stock to date.

Title of class	Name and address of beneficial owner	Amount and nature of beneficial ownership	Amount and nature of beneficial ownership acquirable	Percent of class
Common Stock	Daughters of Ron Robinson 3785 Mesa Linda Drive, Las Vegas, NV 89120	11,000,000 Owned via Scotsman Trust, an irrevocable trust of which Mr. Robinson is the trustee	N/A	43.78%
Common Stock	Mike Yoder 1901 Empoli, Las Vegas, NV 89134	5,500,000 directly owned	N/A	21.89
Common Stock	Frank Yoder 11784 Bella Luna Street, Las Vegas, NV 89183	5,500,000 directly owned	N/A	21.89
	S.Vernon Rodriguez 1253 Vietti Street Henderson, Nevada 89012	3,000,000 directly owned	N/A	11.94

INTEREST OF MANGEMENT AND OTHERS IN CERTAIN TRANSACTIONS

Loans to Management

During 2012, the company advanced loans of $56,000 each to Vernon Rodriguez, Mike Yoder and Frank Yoder. The company's board of directors (on which each of them people serve) voted to forgive this debt during 2014, and a total of $168,000 was expensed as legal and professional fees.

Rental from Related Party

On August 11, 2011 the company entered into a lease agreement with Wann Springs/Placid, LLC, a company controlled by Mr. Robinson, the CEO, for the lease of part of an office building. On August 1, 2011 the lease was assigned to the company by AIS, which is an entity previously operated by members of management. At the date of assignment, the lease had accrued rent payable of $561,213. The company has moved offices to 319 E. Warm Springs Road Suite 100, Las Vegas, NV 89119 which is a building owned by a related party. The company is currently leasing the office rent free.

SECURITIES BEING OFFERED

General

The company is offering Units that comprise one share of common stock and two warrants to purchase common stock.

The following description summarizes the most important terms of the company's capital stock. VCC has adopted an amended and restated certificate of incorporation and this description summarizes the provisions of that document. This summary does not purport to be complete and is qualified in its entirety by the provisions of VCC's amended and restated certificate of incorporation and amended and bylaws, copies of which have been filed as exhibits to the offering statement of which this Offering Circular is a part. For a complete description of VCC's capital stock, you should refer to the amended and restated certificate of incorporationand bylaws and to the applicable provisions of Nevada law.

Immediately following the completion of this offering, VCC's authorized capital stock will consist of 100,000,000 shares of common stock, \$0.001 par value per share, and 5,000,000 shares of Series A Preferred Stock, \$0.001 par value per share.

As of June 30, 2015 there were 25,156,475 shares of VCC'scommon stock outstanding, held by approximately 6stockholders of record. No Preferred Stock was outstanding. The company's board of directors is authorized, without stockholder approval, to issue additional shares of capital stock.

Common Stock

Dividend Rights

Subject to preferences that may be applicable to any then outstanding preferred stock, holders of VCC's common stock are entitled to receive dividends, if any, as may be declared from time to time by the board of directors out of legally available funds. The company has never declared or paid cash dividends on any of its capital stock and currently does not anticipate paying any cash dividends after this offering or in the foreseeable future.

Voting Rights

Each holder of VCC's common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. VCC's stockholders have cumulative voting rights in the election of directors.

Right to Receive Liquidation Distributions

In the event of VCC's liquidation, dissolution or winding up, holders of its common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of the company's debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then outstanding shares of preferred stock.

Rights and Preferences

Holders of VCC's common stock have no preemptive, conversion, subscription or other rights, and there are no redemption or sinking fund provisions applicable to the company's common stock. The rights, preferences and privileges of the holders of the company's common stock are subject to and may be adversely affected by, the rights of the holders of shares of any series of VCC's preferred stock that the company may designate in the future.

Preferred Stock

VCC's board of directors will have the authority, without further action by its stockholders, to issue up to 5,000,000 shares of Series A Preferred Stock, convertible into common stock. The issuance of preferred stock by VCC could adversely affect the voting power of holders of common stock and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change of control or other corporate action. Upon the completion of this offering, no shares of preferred stock will be outstanding, and the company has no immediateplan to issue any shares of preferred stock.

Anti-Takeover Effects of Provisions of Nevada State Law

The company may in the future become subject to the "control share" provisions of the corporation law of the State of Nevada. A corporation is subject to these provisions if it has more than 200 shareholders of record, at least 100 of whom are residents of Nevada, and if the corporation does business in Nevada, including directly or through an affiliated corporation. This control share law may have the effect of discouraging corporate takeovers. As of the date of this Offering Circular, the company had less than 10 shareholders of record and conducted business in Nevada.

The control share law focuses on the acquisition of a "controlling interest," which means the ownership of outstanding voting shares that would be sufficient, but for the operation of the control share law, to enable the acquiring person to exercise the following proportions of the voting power of the corporation in the election of directors: (1) one-fifth or more but less than one-third; (2) one-third or more but less than a majority; or (3) a majority or more. The ability to exercise this voting power may be direct or indirect, as well as individual or in association with others.

The effect of the control share law is that an acquiring person, and those acting in association with such person, will obtain only such voting rights in the control shares as are conferred by a resolution of the shareholders of the corporation, approved at a special or annual meeting of shareholders. The control share law contemplates that voting rights will be considered only once by the other shareholders. Thus, there is no authority to take away voting rights from the control shares of an acquiring person once those rights have been approved. If the shareholders do not grant voting rights to the control shares acquired by an acquiring person, those shares do not permanently become non-voting shares. The acquiring person is free to sell the shares to others. If the buyer or buyers of those shares themselves do not acquire a controlling interest, the shares are not governed by the control share law.

If control shares are accorded full voting rights and the acquiring person has acquired control shares with a majority or more of the voting power, and shareholder of record, other than the acquiring person, who did not vote in favor of approval of voting rights, is entitled to demand fair value for such shareholder's shares.

In addition, Nevada has a business combination law which prohibits certain business combinations between Nevada corporations and "interested stockholders" for three years after the "interested stockholder" first becomes an "interested stockholder," unless the corporation's board of directors approves the combination in advance. For purposes of Nevada law, an "interested stockholder" is any person who is (i) the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the outstanding voting shares of the corporation, or (ii) an affiliate or associate of the corporation and at any time within the three previous years was the beneficial owner, directly or indirectly, of ten percent or more of the voting power of the then outstanding shares of the corporation. The definition of the term "business combination" is sufficiently broad to cover virtually any kind of transaction that would allow a potential acquiror to use the corporation's assets to finance the acquisition or otherwise to benefit its own interests rather than the interests of the corporation and its other stockholders.

The effect of Nevada's business combination law is to potentially discourage parties interested in taking control of the company from doing so if it cannot obtain the approval of the company's board of directors.

Warrants

The warrants to be issued as part of the Units each permit the holder to exercise the warrant for one share of common stock at an exercise price of $5. The warrants will be exercisable until two years from the date of their issue.

FINANCIAL STATEMENTS

- Audit Report and Communication Letter

- VCC Financials Dec 31 2014 v5 Balance

- VCC Financials Dec 31 2014 v5 Operations

- VCC Financials Dec 31 2014 v5 Cash flow

- VCC Financials Dec 31 2014 v5 Equity

- VCC Notes Dec 31 2014 v5

Part III

INDEX TO EXHIBITS

- Exhibit 2.1 Certificate of Incorporation and Amended Certificate of Incorporation
- Exhibit 2.2 Bylaws
- Exhibit 3.1 Certificate of Designations
- Exhibit 3.2 Warrant
- Exhibit 4 Subscription Agreement
- Exhibit 8 Escrow Agreement
- Exhibit 11 Auditors Consent
- Exhibit 12 Legal Opinion

SIGNATURES

Pursuant to the requirements of Regulation A, the issuer certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form 1-A and has duly caused this Offering Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Las Vegas, Orlando, State of Nevada, on August 17, 2015.

Virtual Communications Corporation

By /s/ Ron J. Robinson

Ron Robinson, Chief Executive Officer of
Virtual Communications Corporation

This Offering Statement has been signed by the following persons in the capacities and on the dates indicated.

/s/ Ron J. Robinson
Ron J. Robinson, Chief Executive Officer
Date: August 17, 2015

/s/ S. Vernon Rodrigues
S. Vernon Rodrigues, Chief Financial Officer and Chief Accounting Officer
Date: August 17, 2015

/s/ Michael T. Yoder
Michael T. Yoder, Director
Date: August 17, 2015

/s/ Frank T. Yoder, Jr.
Frank T. Yoder, Jr., Director
Date: August 17, 2015

Seale & Beers, CPAs
Certified Public Accountants
PCAOB Registered Auditors – www.sealebeers.com

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders of
Virtual Communications Corporation

We have audited the accompanying balance sheets of Virtual Communications Corporation as of December 31, 2014 and 2013, and the related statements of income, stockholders' equity (deficit), and cash flows for each of the years in the two-year period ended December 31, 2014. Virtual Communication Corporation's management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Virtual Communication Corporation as of December 31, 2014 and 2013, and the related statements of income, stockholders' equity (deficit), and cash flows for each of the years in the two-year period ended December 31, 2014 in conformity with accounting principles generally accepted in the United States of America.

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 1 to the financial statements, the Company has negative working capital at December 31, 2014, has incurred recurring losses and recurring negative cash flow from operating activities, and has an accumulated deficit which raises substantial doubt about its ability to continue as a going concern. Management's plans concerning these matters are also described in Note 1. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Seale & Beers, CPAs

Seale and Beers, CPAs
Las Vegas, Nevada
August 4, 2015

Seale & Beers, CPAs
Certified Public Accountants
PCAOB Registered Auditors – www.sealebeers.com

Communication with Audit Committees

August 4, 2015

To the Board of Directors
Virtual Communications Corporation

We have audited the financial statements of Virtual Communications Corporation for the year ended December 31, 2014, and have issued our report thereon dated August 4, 2015. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Public Company Accounting Oversight Board Standards

As stated in our engagement letter dated January 11, 2015, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance that the financial statements are free of material misstatement and are fairly presented in accordance with U.S. generally accepted accounting principles. Because an audit is designed to provide reasonable, but not absolute, assurance and because we did not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us.

Critical Accounting Policies and Practices

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The critical accounting policies used by Virtual Communications Corporation are described in Note 2 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2014. We noted no transactions entered into by the Company during the year that were both critical and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Quality of the Company's Accounting Principles

Management is responsible not only for the appropriateness of the accounting policies and practices, but also for the quality of such policies and practices. The quality includes the consistency of the accounting policies and their application, the clarity and completeness of the financial statements, and includes items that have a significant impact on the representational faithfulness, verifiability, and neutrality of the accounting information included in the financial statements.

Management's Judgments and Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

Audit Adjustments

For purposes of this letter, professional standards define an audit adjustment as a proposed correction of the financial statements that, in our judgment, may not have been detected except through our auditing procedures. An audit adjustment may or may not indicate matters that could have a significant effect on the Company's financial reporting process (that is, cause future financial statements to be materially misstated). In our judgment, none of the adjustments we proposed, whether recorded or unrecorded by the Company, either individually or in the aggregate, indicate matters that could have a significant effect on the Company's financial reporting process.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

8250 W Charleston Blvd, Suite 100 - Las Vegas, NV 89117 Phone: (888)727-8251 Fax: (888)782-2351

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Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Company's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants,

Issues Discussed Prior to Retention of Independent Auditors

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Company's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

(Other Information in Documents Containing Audited Financial Statements)

The Company's audited financial statements are included in their annual report. Our responsibility for the other information contained in the annual report does not extend beyond the financial information identified in our audit report. We do not have an obligation to perform any procedures to corroborate the other information contained in the annual report. However, we read the other information and considered whether such information, or the manner of its presentation, was materially inconsistent with information, or the manner of its presentation, appearing in the financial statements. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, was materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This information is intended solely for the use of the Audit Committee, Board of Directors, and management of Virtual Communications Corporation and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Seale & Beers, CPAs

Seale and Beers, CPAs
Las Vegas, Nevada

Seale and Beers, CPAs **PCAOB Registered Auditors**
8250 W Charleston Blvd, Suite 100 - Las Vegas, NV 89117 Phone: (888)727-8251 Fax: (888)782-2351

PART II AND III 48 vcfinancialsbalance.htm BALANCE SHEET

VIRTUAL COMMUNICATIONS CORPORATION
CONSOLIDATED BALANCE SHEETS
(AUDITED)

	December 31, 2014	December 31, 2013
ASSETS		
Current assets		
Cash	$ 424,243	$ 890,531
Accounts receivable, net of $38,023 and $4,674 of allowance for doubtful accounts, respectively	35,109	77,611
Due from a related party	-	168,000
Inventory	-	-
Prepaid expenses	2,665	-
Total current assets	462,017	1,136,142
Fixed assets, net of $229,200 and $220,309 of accumulated depreciation, respectively	10,244	14,975
Software development, net of $17,114 and $10,200 of accumulated amortization, respectively	86,597	93,511
Capatalized loan fees, net of $4,930 and $4,930 of accumulated depreciation, respectively	-	-
Total Assets	$ 558,858	$ 1,244,628
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	$ 53,625	$ 42,456
Deferred revenue	35,309	13,360
Notes payable (current portion)	1,980,250	2,000,000
Rent payable to a related party	457,179	1,060,757
Total current liabilities	2,526,363	3,116,573
Notes payable	2,755,500	875,750
Total Liabilities	5,281,863	3,992,323
STOCKHOLDERS' DEFICIT		
Series A Convertible Preferred; 5,000,000 shares authorized at $0.001 par value; -0- and -0- issued and outstanding at December 31, 2014 and December 31, 2013, respectively	-	-
Common stock; 100,000,000 shares authorized at $0.001 par value; 25,124,974 and 25,074,330 issued and outstanding at December 31, 2014 and December 31, 2013, respectively	25,125	25,074
Common stock payable	-	-
Additional paid-in capital	310,036	283,765
Accumulated deficit	(5,058,166)	(3,056,534)
Total stockholders' deficit	(4,723,005)	(2,747,695)
Total liabilities and stockholders' deficit	$ 558,858	$ 1,244,628

The accompanying notes are an integral part of these condensed financial statements.

PART II AND III 52 vccfinancialsoperations.htm OPERATIONS

VIRTUAL COMMUNICATIONS CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS
(AUDITED)

	For the Year Ended December 31, 2014	For the Year Ended December 31, 2013
REVENUE, NET	$ 450,634	$ 262,154
Cost of goods sold	208,604	155,987
GROSS PROFIT	242,030	106,167
OPERATING EXPENSES		
Rent expense	229,359	343,098
Legal and professional	586,619	130,191
Marketing and advertising	61,913	72,774
Payroll expenses	523,859	373,492
Utilities	20,357	19,135
General and administrative	148,685	103,201
Total Operating Expenses	1,570,792	1,041,891
NET LOSS FROM OPERATIONS	(1,328,762)	(935,724)
OTHER INCOME (EXPENSE)		
Depreciation and amortization	(15,805)	(16,797)
Bad debt expense	(33,349)	(1,575)
Interest expense	(405,491)	(246,418)
Debt capital finance charges	(221,250)	(254,785)
Rental income	2,500	-
Interest income	525	825
TOTAL OTHER EXPENSE	(672,870)	(518,750)
NET LOSS BEFORE INCOME TAXES	(2,001,632)	(1,454,474)
PROVISION FOR INCOME TAX	-	-
NET LOSS FOR THE PERIOD	$ (2,001,632)	$ (1,454,474)
BASIC AND DILUTED (LOSS) PER COMMON SHARE	$ (0.08)	$ (0.06)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES (Basic and Diluted)	25,105,410	25,015,343

The accompanying notes are an integral part of these condensed financial statements.

PART II AND III 49 vccfinancialscashflow.htm CASH FLOW

VIRTUAL COMMUNICATIONS CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended December 31, 2014	For the Year Ended December 31, 2013
OPERATING ACTIVITIES		
Net loss	$ (2,001,632)	$ (1,454,474)
Adjustments to reconcile net loss from operations:		
Bad debt expense	33,349	1,575
Depreciation and amortization	15,805	16,797
Common stock issued for services	25,322	37,167
Officer debt forgiven	168,000	-
Change in operating assets and liabilities:		
Decrease (increase) in accounts receivable	9,152	(79,186)
Increase in prepaid expenses	(2,665)	-
Increase in deferred revenue	21,949	3,648
Decrease in rent payable to a related party	(603,577)	(171,395)
Increase in accrued interest	1,838	-
Increase (decrease) in accounts payable and accrued expense	9,330	(4,663)
Net cash used in operating activities	(2,323,129)	(1,650,531)
INVESTING ACTIVITIES		
Purchase of furniture and equipment	(4,159)	(7,695)
Investment in software development	-	(17,568)
Net cash used in investing activities	(4,159)	(25,263)
FINANCING ACTIVITIES		
Contributions from officers	1,000	-
Proceeds (repayments) on line of credit	-	(292,000)
Proceeds from notes payable	2,187,500	2,548,250
Repayment of notes payable	(327,500)	-
Net cash provided by financing activities	1,861,000	2,256,250
NET (DECREASE) IN CASH AND CASH EQUIVALENTS	(466,288)	580,456
CASH AND CASH EQUIVALENTS -BEGINNING OF PERIOD	890,531	310,075.00
CASH AND CASH EQUIVALENTS -END OF PERIOD	$ 424,243	$ 890,531
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid for interest	$ 403,654	$ 192,322
Cash paid for taxes	$ 122,308	$ 32,526
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Furniture and equipment contributed at inception	$ -	$ -

The accompanying notes are an integral part of these condensed financial statements.

PART II AND III 50 vccfinancialsequity.htm EQUITY

VIRTUAL COMMUNICATIONS CORPORATION
CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT

	Series A Preferred		Common Stock		Additional Paid-in	Deficit Accumulated During Development	Total Stockholders'
	Issued	Amount	Issued	Amount	Capital	Stage	Equity (Deficit)
Balance, December 31, 2012 (audited)	- $	-	25,000,000	$ 25,000	$ 246,672	$ (1,602,060)	$ (1,330,388)
Shares issued for consulting services	-	-	5,400	5	2,695	-	2,700
Shares issued for consulting services	-	-	7,700	8	3,842	-	3,850
Shares issued for consulting services	-	-	29,330	29	14,638	-	14,667
Shares issued for consulting services	-	-	31,900	32	15,918	-	15,950
Net loss	-	-	-	-	-	(1,454,474)	(1,454,474)
Balance, December 31, 2013 (audited)	-	-	25,074,330	25,074	283,765	(3,056,534)	(2,747,695)
Shares issued for consulting services	-	-	27,254	27	13,600	-	13,627
Capital contributed by officer	-	-	-	-	1,000	-	1,000
Shares issued for consulting services	-	-	18,890	19	9,426	-	9,445
Shares issued for consulting services	-	-	4,500	5	2,245	-	2,250
Net loss	-	-	-	-	-	(2,001,632)	(2,001,632)
Balance, December 31, 2014 (audited)	- $	-	25,124,974	$ 25,125	$ 310,036	$ (5,058,166)	$ (4,723,005)

The accompanying notes are an integral part of these financial statements.

PART II AND III 51 vccfinancialsnotes.htm NOTES

VIRTUAL COMMUNICATIONS CORPORATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014 & 2013
(Audited)

NOTE 1 - ORGANIZATION AND DESCRIPTION OF BUSINESS

Virtual Communication Corporation hereinafter, ("the Company", "Wintech", or "VCC") was incorporated in the State of Nevada on January 26, 2012. The Company's wholly owned subsidiary Wintech, LLC was organized in the State of Nevada on August 13, 2010.

WinTech has produced A.L.I.C.E. A Live Interactive Communication Experience. ALICE is a technology platform to bring face to face video interactions to help revolutionize how businesses interact with customers. WinTech's first product to market is ALICE Receptionist. ALICE Receptionist is a building visitor management solution that brings professionalism, security, face to face interaction, and substantial cost savings to any business that needs to manage building visitor traffic. The Company has developed product demonstration videos and testimonials which may be viewed on its website http://www.alicereceptionist.com.

Basis of Presentation

The Company is considered to be a development stage company and has not generated significant revenues from operations. There is no bankruptcy, receivership, or similar proceedings against our company. These statements and the term "Company" refer to the consolidated financial condition and operations of Virtual Communications Corporation and its wholly owned subsidiary Wintech, LLC since August 13, 2010.

The accompanying audited financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and the rules and regulations of the United States Securities and Exchange Commission for annual financial information.

Going Concern

The accompanying financial statements have been prepared assuming the Company will continue as a going concern. Its ability to continue as a going concern is dependent upon the ability of the Company to obtain the necessary financing to meet its obligations and pay its liabilities arising from normal business operations when they come due. Furthermore, as of December 31, 2014, the Company has accumulated losses from inception (August 13, 2010) of $5,058,166. Likewise, net cash of $4,283,535 has been used in operations during the same period. The outcome of these matters cannot be predicted with any certainty at this time and raise substantial doubt that the Company will be able to continue as a going concern. These financial statements do not include any adjustments to the amounts and classification of assets and liabilities which may be necessary should the Company be unable to continue as a going concern. Management believes that the Company will need to obtain additional funding by borrowing funds from its directors and officers, or a private placement of common stock through various sales and public offerings.

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America. Because a precise determination of many assets and liabilities is dependent upon future events, the preparation of financial statements involves the use of estimates, which have been made using judgment. Actual results may vary from these estimates.

The financial statements have, in management's opinion, been prepared within the framework of the significant accounting policies summarized below:

Cash and Cash Equivalents

The Company considers highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents.

VIRTUAL COMMUNICATIONS CORPORATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014 & 2013
(Audited)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Fair Value of Financial Instruments

Fair value accounting establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;
Level 2 Quoted prices in markets that are *not* active, or inputs that are observable, either directly or indirectly, for substantially the full term of the asset or liability; and
Level 3 Prices or valuation techniques that require inputs that are both significant to the fair value measurement and unobservable (supported by little or no market activity).

The Company's financial instruments consist of cash, accounts payable and accrued liabilities. The carrying amount of these financial instruments approximates fair value due to either length of maturity or interest rates that approximate prevailing market rates unless otherwise disclosed in these financial statements.

Revenue Recognition

The Company recognizes revenue on an accrual basis. The Company generally earns revenue through the sale of software keys, hardware terminals, and service and maintenance contracts. Furthermore, the Company's portions of any fees collected are non-refundable. Revenue is generally realized or realizable and earned when all of the following criteria are met: 1) persuasive evidence of an arrangement exists between the Company and our customer(s); 2) services have been rendered; 3) our price to our customer is fixed or determinable; and 4) collectability is reasonably assured. For the year ended December 31, 2014 and 2013, the Company recognized revenues of $472,212 and $262,752 with net returns and discounts of $19,078 and $598, respectfully for which each of the four aforementioned criteria were satisfied.

Deferred Revenue

The Company offers maintenance and support contracts to its clients. These service contracts cover an average period of 1 year. The revenue received for these contracts is initially recorded as deferred revenue and recognized as revenue in the statement of operation in even intervals over the service period covered by the contract. Some suppon and maintenance contracts are paid on a monthly basis and are recorded as revenue when received. During the year ended December 31, 2014 and 2013 the Company received $63,464 and $19,401 in maintenance and support fees of which $41,515 and $15,753 was recorded as revenue, respectfully.

VIRTUAL COMMUNICATIONS CORPORATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014 & 2013
(Audited)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Concentration of credit risk

Credit risk represents the accounting loss that would be recognized at the reporting date if counter parties failed completely to perform as contracted. Concentrations of credit risk (whether on or off balance sheet) that arise from financial instruments exist for groups of customers or counter parties when they have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions described below.

Financial instruments that potentially subject the Company to significant concentration of credit risk consist primarily of cash, cash equivalents, and marketable debt securities. The primary focus of the Company's investment strategy is to preserve capital and meet liquidity requirements. The Company's investment policy addresses the level of credit exposure by limiting the concentration in any one corporate issuer or sector. To manage the risk exposure, the Company maintains its portfolio of cash and cash equivalents and short-term and long-term investments.

Allowance for Doubtful Accounts

Management periodically reviews accounts receivable and records a bad debt expense for accounts that are deemed less than likely to be collected. The accounts are evaluated in 30 day increments from the current balance sheet date from 90 days prior. Any accounts current to 30 days aging are weighted with a 100% probability of collection unless certain factors indicate otherwise; accounts aging 31 to 60 days are weighted 60%, accounts again 61 to 90 are weighted 50%, and those accounts 90 days or older are weighted 25% probability of collection. Any accounts subsequently collected from the date of the balance sheet are given a 100% weight.

As of December 31, 2014, the Company had $9,569 in accounts aging 31 to 60 days and $45,595 in accounts aging over 90 days which had not been subsequently collected. Accordingly, the Company recorded a bad debt expense of $33,349 for the year ended December 31, 2014. As of December 31, 2013, the Company had $1,742 in accounts aging 61 to 90 days which had not been subsequently collected and $939 in accounts again 90 days or more which had not subsequently been collected. Accordingly, the Company recorded a bad debt expense of $1,375 for the year ended December 31, 2013.

Fixed Assets

Property and equipment is recorded at cost, net depreciation. Depreciation is calculated principally on the straight-line method over the following estimated useful lives:

	Years
Equipment	5 - 7
Computers	3 - 5
Software	3

The Company generally does not capitalize asset purchases of $500 or less.

Software Development

Software development consists of costs expended in the production of the Company's flagship software package. The Company capitalizes software development costs in accordance with ASC 985-20-25. The software's technological feasibility was achieved upon the Company's inception and the general release date was March, 2013 after which all such costs are expensed as costs of goods sold or general and administrative expenses on the statement of operations. Amortization of software development costs are calculated on the straight-line method over the estimated useful life of 15 years.

VIRTUAL COMMUNICATIONS CORPORATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014 & 2013
(Audited)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Per Share Data

In accordance with "ASC 260 - Earnings per Share", the basic loss per common share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding. Diluted loss per common share is computed similar to basic loss per common share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. At December 31, 2014 and 2013, the Company had no stock equivalents that were anti-dilutive and excluded in the loss per share computation.

Stock-Based Compensation

The Company records stock based compensation in accordance with the guidance in ASC Topic 718 which requires the Company to recognize expenses related to the fair value of its employee stock option awards and the issuance of common stock for services. This eliminates accounting for share-based compensation transactions using the intrinsic value and requires instead that such transactions be accounted for using a fair-value-based method. Accordingly, the Company recognized stock-based compensation expense of $25,322 and $37,167 during the years ended December 31, 2014 and 2013, respectively (see Note 9).

Advertising Costs

Advertising costs are to be expensed as incurred in accordance to Company policy; for the year ended December 31, 2014 and 2013 advertising expenses totaled $61,913 and $72,774, respectfully.

Cost of Goods Sold

Cost of goods sold includes computer equipment, video displays, component parts, and shipping supplies. Shipping and handling costs are not a significant portion of the cost of revenue. Materials and supplies are ordered as the need for them is incurred on a particular project. Accordingly, the Company does not hold or store any inventory.

Income taxes

The Company records income taxes under the asset and liability method in accordance with ASC Topic 740, "Income Taxes", whereby deferred tax assets and liabilities are recognized based on the future tax consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and attributable to operating loss and tax credit carryforwards. Accounting standards regarding income taxes requires a reduction of the carrying amounts of deferred tax assets by a valuation allowance, if based on the information available it is more likely than not that such assets will not be realized. Accordingly, the need to establish valuation allowances for deferred tax assets is assessed at each reporting period based on a more-likely-than-not realization threshold. This assessment considers, among other matters, the nature, frequency and severity of current and cumulative losses, forecasts of future profitability, the duration of statutory carryforward periods, the Company's experience with operating loss and tax credit carryforwards not expiring unused, and tax planning alternatives.

Recent Accounting Pronouncements

On May 28, 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers. The standard will eliminate the transaction- and industry-specific revenue recognition guidance under current U.S. GAAP and replace it with a principle based approach for determining revenue recognition. This standard has the potential to affect every entity's day-to-day accounting and, possibly, the way business is executed through contracts with customers.

VIRTUAL COMMUNICATIONS CORPORATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014 & 2013
(Audited)

NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Public entities are required to adopt the revenue recognition standards for reporting periods beginning after December 15, 2016, and interim and annual reporting periods thereafter (which equates to January 1, 2017 for public entities with a December 31 year-end). Early adoption of ASU 2014-09 is not permitted for public entities. Nonpublic entities are required to apply the revenue recognition standard for annual reporting periods beginning on or after December 15, 2017, and interim reporting periods within annual reporting periods beginning after December 15, 2018. Alternately, nonpublic entities can elect several variations of early adoption not earlier than public entities. FASB ASU No. 2014-09 will amend FASB Accounting Standards Codification® (ASC) by creating Topic 606, Revenue from Contracts with Customers and Subtopic 340-40, Other Assets and Deferred Costs—Contracts with Customers.

Management has evaluated all other recent accounting pronouncements issued by the FASB (including its Emerging Issues Task Force), the American Institute of Certified Public Accountants, and the SEC did not, or are not believed by management to, have a material impact on the Company's present or future financial position, results of operations or cash flows.

NOTE 3 – DUE FROM A RELATED PARTY

During 2012 the Company advanced $56,000 to 3 officers of the Company for a total of $168,000. The amounts advanced are unsecured, due on demand, and carry a 3% interest rate that may be waived by management if the amounts are repaid within 30 days of repayment demand by the Company. Interest has not been accrued on these amoun since it is more than likely the amount will be repaid within 30 days of the demand by the Company. The Board of Directors voted to forgive this debt during 2014 and the $168,000 was expensed under the income statement caption 'Legal and professional fees'.

NOTE 4 – FIXED ASSETS

Property and equipment consist of the following at December 31:

	Life		2014		2013
Computers equipment	3-5	$	220,589	$	219,578
Furniture and equipment	5-7		8,621		8,621
Software	3		10,234		7,085
Less accumulated depreciation			(229,200)		(220,309)
Net book value, December 31		$	10,244	$	14,975

Depreciation expense for the year ended December 31, 2014 and 2013 was $8,891 and $5,692, respectfully.

NOTE 5 – SOFTWARE DEVELOPMENT

Property and equipment consist of the following at December 31:

	Life		2014		2013
Software development costs	15	$	103,711	$	103,711
Less accumulated amortization			(17,114)		(10,200)
Net book value, December 31		$	86,597	$	93,511

Amortization expense for the year ended December 31, 2014 and 2013 was $6,914 and $6,750, respectfully.

VIRTUAL COMMUNICATIONS CORPORATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014 & 2013
(Audited)

NOTE 6 – LINE OF CREDIT

On September 27, 2011 the Company consummated a line of credit promissory note with a third party financial institution for $300,000. The line of credit carried an average interest rate of 6.95%, was secured by a deed of trust and the Companies assets and inventory, and was due on September 27, 2012. The Company incurred a loan fee of 1.643% or $4,930 in connection with the loan which was capitalized during 2011.

On January 17, 2013 the line of credit was paid in full and extinguished. Accordingly, the remaining capitalized loan fees of $4,355 were amortized and expensed during 2013. The Company recognized interest expense of $4,461 in connection with the line of credit.

NOTE 7 – RENT PAYABLE TO A RELATED PARTY

On August 11, 2011 the Company entered into a lease agreement with a party under common management. The lease covers office space of 11,000 square feet with a base rent of 2.15 per square foot with an annual CPI adjustment. The lease also carries an operating expense fee of $0.27 per square foot, a late fee of 5%, and interest on unpaid balances of the 2% over the Prime Interest Rate as periodically issued. The lease was assigned to the Company by an entity under common management on August 1, 2011 at which date the accrued rent was $561,213 with $97,262 in late penalties and $28,197 in interest. Unless mutually extended, the lease expired on September 1, 2014.

As of December 31, 2014 and 2013 $34,179 and $54,086 of interest expense has been charged in relation to the lease.

NOTE 8 – NOTES PAYABLE

The Company has entered into a series of notes payable with several unrelated parties; all notes containing identical terms from the date of consummation. The notes are unsecured, bearing an interest rate of 9%, and due within 18 months from the execution date with an option to extend for six months. The notes also carry a late fee of 5% after a 5-day grace period and are conditionally guaranteed by an officer of the Company.

During 2014 and 2013 the Company received proceeds of $2,187,500 and $2,548,250 and made repayments of $327,500 and $-0-, respectively from the aforementioned notes. Accordingly as a result of these notes payable, for the year ended December 31, 2014 and 2013, the Company recorded interest expense of $371,229 and $191,575, respectively.

NOTE 9 – STOCKHOLDERS' EQUITY (DEFICIT)

Series A Convertible Preferred

The Company has authorized 5,000,000 of Series A Convertible Preferred stock with a par value of $0.001. These shares are entitled to a 7% non-cumulative dividend with liquidation preferences and are convertible into common stock at an initial 20% discount of the average closing bid price of the common stock for thirty consecutive trading days preceding the conversion date. The shares are entitled to one vote for every share of common stock that would result upon the conversion of the preferred shares to common shares. As of December 31, 2014 there was -0- shares of Series A Convertible Preferred stock issued and outstanding.

Common Stock

The Company has 100,000,000 common shares authorized at a par value of $0.001 per share.

VIRTUAL COMMUNICATIONS CORPORATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
December 31, 2014 & 2013
(Audited)

NOTE 9 – STOCKHOLDERS' DEFICIT - (CONTINUED)

Common Stock Issued

During the three months ended March 31, 2013 the Company issued 5,400 shares of common stock for services at a price of $0.50 per share for a total value of $2,700.

During the three months ended June 30, 2013 the Company issued 7,700 shares of common stock for services at a price of $0.50 per share for a total value of $3,850.

During the three months ended September 30, 2013 the Company issued 29,330 shares of common stock for services at a price of $0.50 per share for a total value of $14,667.

During the three months ended December 31, 2013 the Company issued 31,900 shares of common stock for services at a price of $0.50 per share for a total value of $15,950.

During the three months ended March 31, 2014 the Company issued 27,254 shares of common stock for services at a price of $0.50 per share for a total value of $13,627.

On April 4, 2014, an officer of the Company contributed $1,000 of capital to the Company.

During the three months ended June 30, 2014 the Company issued 18,890 shares of common stock for services at a price of $0.50 per share for a total value of $9,445.

During the three months ended December 31, 2014 the Company issued 4,500 shares of common stock for services at a price of $0.50 per share for a total value of $2,250.

NOTE 10 – INCOME TAXES

The Company provides for income taxes under FASB ASC 740, Accounting for Income Taxes. FASB ASC 740 requires the use of an asset and liability approach in accounting for income taxes. Deferred tax assets and liabilities are recorded based on the differences between the financial statement and tax bases of assets and liabilities.

FASB ASC 740 requires the reduction of deferred tax assets by a valuation allowance, if, based on the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized. In the Company's opinion, it is uncertain whether they will generate sufficient taxable income in the future to fully utilize the net deferred tax asset. Accordingly, a valuation allowance equal to the deferred tax asset has been recorded. The total deferred tax asset since inception is $1,601,086 which is calculated by multiplying a 34% estimated tax rate by the cumulative net operating loss (NOL) adjusted for the following items:

For the period ended December 31,		2014		2013
Book loss for the year	$	(2,001,632)	$	(1,454,474)
Adjustments:				
Meals and entertainment		1,480		543
Book depreciation over tax		-		-
Stock based compensation		25,322		37,167
Bad debt expense		33,349		1,575
Deferred revenue		21,949		3,648
Tax loss for the year	$	(1,919,532)	$	(1,411,541)
Estimated effective tax rate		34%		34%
Deferred tax asset	$	(652,641)	$	(479,924)

VIRTUAL COMMUNICATIONS CORPORATION
CONSOLIDATED NOTES TO THE FINANCIAL STATEMENTS
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(Audited)

NOTE 10 – INCOME TAXES - (CONTINUED)

The total valuation allowance is $1,601,086. Details for the last two periods are as follows:

As of December 31,		2014		2013
Deferred tax asset	$	1,601,086	$	948,445
Valuation allowance		(1,601,086)		(948,445)
Net deferred tax asset		-		-
Income tax expense	$	-	$	-

Below is a chart showing the estimated corporate federal cumulative net operating loss (NOL) carry forward of $4,709,076 and the years in which it will expire.

Year		Amount	Expiration
2014	$	1,919,532	2034
2013	$	1,411,541	2033
Prior to 2013	$	1,378,004	Prior to 2033

NOTE 11 - SUBSEQUENT EVENTS

During the months following the date of these financials the Company has been unable to repay a series of notes payable as they have matured and accordingly is in default on these notes payable (see Note 8).

On February 26, 2015 the Company entered a month to month lease with and third party to rent 4,132 square feet for $5,165 per month.

The Company has evaluated events subsequent to the balance sheet date through the issuance date of these financial statements in accordance with FASB ASC 855 and has determined there are no further events that would require adjustment to, or disclosure in, the financial statements.

EX1A-2A CHARTER 2 exhibit2-1.htm EXHIBIT 2.1 CHARTER

ROSS MILLER
Secretary of State
204 North Carson Street, Suite 4
Carson City, Nevada 89701-4520
(775) 684-5708
Website: www.nvsos.gov

Articles of Incorporation
(PURSUANT TO NRS CHAPTER 78)

Filed in the office of Ross Miller, Secretary of State, State of Nevada
Document Number 20120057373-60
Filing Date and Time 01/26/2012 4:37 PM
Entity Number E0048602012-4

(This document was filed electronically.)

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1. Name of Corporation:	VIRTUAL COMMUNICATIONS CORPORATION
2. Registered Agent for Service of Process: (check only one box)	☐ Commercial Registered Agent: ___ Name ☒ Noncommercial Registered Agent (name and address below) OR ☐ Office or Position with Entity (name and address below) RONALD J ROBINSON-SEE ATTACHED Name of Noncommercial Registered Agent OR Name of Title of Office or Other Position with Entity 375 E WARM SPRINGS RD #10, LAS VEGAS, Nevada 89119 Street Address, City, Zip Code Nevada Mailing Address (if different from street address), City, Zip Code
3. Authorized Stock: (number of shares corporation is authorized to issue)	Number of shares with par value: 10000000 Par value per share: $ 0.001 Number of shares without par value: 0
4. Names and Addresses of the Board of Directors/Trustees: (each Director/Trustee must be a natural person at least 18 years of age; attach additional page if more than two directors/trustees)	1) RONALD J ROBINSON-SEE ATTACHED Name 375 E WARM SPRINGS RD #10, LAS VEGAS, NV 89119 Street Address, City, State, Zip Code 2) S. VERNON RODRIGUEZ-SEE ATTACHED Name 375 EAST WARM SPRINGS ROA, LAS VEGAS, NV 89119 Street Address, City, State, Zip Code
5. Purpose: (optional; see instructions)	The purpose of the corporation shall be:
6. Name, Address and Signature of Incorporator: (attach additional page if more than one incorporator)	RONALD J ROB-SEE ATTACHED — X RONALD J ROBINSON Name — Incorporator Signature 375 E WARM SPRINGS RD #10, LAS VEGAS, NV 89119 Address, City, State, Zip Code
7. Certificate of Acceptance of Appointment of Registered Agent:	I hereby accept appointment as Registered Agent for the above named Entity. X RONALD J ROBINSON — 1/26/2012 Authorized Signature of Registered Agent or On Behalf of Registered Agent Entity — Date

This form must be accompanied by appropriate fees.

Nevada Secretary of State NRS 78 Articles Revised 4-10-09

Articles of Incorporation

(PURSUANT TO NRS CHAPTER 78)

CONTINUED

Includes data that is too long to fit in the fields on the NRS 78 Form and all additional director/trustees and incorporators

ENTITY NAME:	VIRTUAL COMMUNICATIONS CORPORATION

FOREIGN NAME TRANSLATION:	Not Applicable

PURPOSE:	Not Applicable

REGISTERED AGENT NAME:	RONALD J ROBINSON
STREET ADDRESS:	375 E WARM SPRINGS RD #102, LAS VEGAS, NV 89119
MAILING ADDRESS:	, , NV

ADDITIONAL	Directors/Trustees
Name: RONALD J ROBINSON Address: 375 E WARM SPRINGS RD #102 City: LAS VEGAS State: NV Zip Code: 89119	Name: S. VERNON RODRIGUEZ Address: 375 EAST WARM SPRINGS ROAD SUITE 102 City: LAS VEGAS State: NV Zip Code: 89119
Name: MIKE YODER Address: 311 EAST WARM SPRINGS ROAD SUITE 1 City: LAS VEGAS State: NV Zip Code: 89119	Name: FRANK YODER Address: 311 EAST WARM SPRINGS ROAD SUITE 1 City: LAS VEGAS State: NV Zip Code: 89119

ADDITIONAL	Incorporators
Name: RONALD J ROBINSON Address: 375 E WARM SPRINGS RD #102 City: LAS VEGAS State: NV Zip Code: 89119	

PAGE 2

Articles of Incorporation

(PURSUANT TO NRS CHAPTER 78)

CONTINUED

Includes data that is too long to fit in the fields on the NRS 78 Form and all additional director/trustees and incorporators

PAGE 3

ROSS MILLER
Secretary of State
204 North Carson Street, Suite 1
Carson City, Nevada 89701-4520
(775) 684-5708
Website: www.nvsos.gov

Filed in the office of	Document Number 20140728600-58
Ross Miller Secretary of State State of Nevada	Filing Date and Time 10/22/2014 2:25 PM
	Entity Number E0048502012-4

Certificate of Amendment
(PURSUANT TO NRS 78.380)

USE BLACK INK ONLY - DO NOT HIGHLIGHT — ABOVE SPACE IS FOR OFFICE USE ONLY

Certificate of Amendment to Articles of Incorporation
For Nevada Profit Corporation
(Pursuant to NRS 78.380 - Before Issuance of Stock)

1. Name of corporation:
VIRTUAL COMMUNICATIONS CORPORATION

2. The articles have been amended as follows: (provide article numbers, if available)
AUTHORIZED COMMON SHARES FROM 10,000,000 TO 100,000,000 SHARES AT .001 PAR.

AUTHORIZED PREFERRED STOCK, 5,000,000 SHARES AT .001 PAR.

3. The undersigned declare that they constitute at least two-thirds of the following:
(check only one box) ☐ incorporators ☒ board of directors

4. Effective date and time of filing: (optional) Date: 10/31/14 Time:
(must not be later than 90 days after the certificate is filed)

5. The undersigned affirmatively declare that to the date of this certificate, no stock of the corporation has been issued.

6. Signatures: (If more than two signatures, attach an 8 1/2" x 11" plain sheet with the additional signatures.)

X ______________________ Authorized Signature

X ______________________ Authorized Signature

IMPORTANT: Failure to include any of the above information and submit with the proper fees may cause this filing to be rejected.

This form must be accompanied by appropriate fees.

Nevada Secretary of State Amend Profit-Before
Revised: 8-31-11

EX1A-2B BYLAWS 39 exhibit2-2.htm EXHIBIT 2.2 BYLAWS

BY-LAWS
OF
VIRTUAL COMMUNICATION CORPORATION

ARTICLE I *OFFICES*

The principal office of the corporation shall be located at:
311 East Warm Springs Road, Suite 100, Las Vegas, Nevada 89119

ARTICLE II *SHAREHOLDERS*

SECTION 1 *ANNUAL MEETINGS*
The annual meeting of the shareholders shall be held on the first (1st) day of the month of February in each year, beginning with the year 2012, at the hour of 10 o'clock a.m. for the purpose of electing Directors and for the transaction of such other business as may come before the meeting. If the day fixed for the annual meeting shall be a legal holiday in the State of Nevada, such meeting shall be held on the next succeeding business day. If the election of Directors shall not be held on the day designated herein for any annual meeting of the shareholders, or at any adjournment thereof, the Board of Directors shall cause the election to be held at a special meeting of the shareholders as soon thereafter as conveniently may be

SECTION 2 *SPECIAL MEETINGS*
Special meetings of the shareholders, for any purpose or purposes, unless otherwise prescribed by statute, may be called by the President or by the Board of Directors and shall be called by the President at the request of the holders if not less than one-tenth of all the outstanding shares of the corporation entitled to vote are at the meeting.

SECTION 3 *PLACE OF MEETING*
The Board of Directors may designate any place, either within or without the State of Nevada, as the place of meeting for any annual or special meeting of shareholders. If no designation is made, the place of meeting shall be the principal office of the corporation.

SECTION 4 NOTICE OF MEETING
Written or printed notice stating the place, day and hour of the meeting and, in case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten or more than fifty days before the date of the meeting, either personally or by mail, by or at the direction of the President, or the Secretary, or the officer or persons calling the meeting, to each shareholder of record entitled to vote at such meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the shareholder at the Shareholder's address as it appears on the stock transfer books of the corporation, with postage thereon prepaid.

SECTION 5 *QUORUM*
A majority of the outstanding shares of the corporation entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders. If less than a majority of the outstanding shares are represented at a meeting, a majority of the shares so represented may adjourn the meeting from time to time without further notice. At such adjourned meeting at which a quorum shall be present or represented, any business may be transacted which might have been transacted at the meeting as originally notified.

SECTION 6 *PROXIES*
At all meetings of shareholders, a shareholder may vote by proxy executed in writing by the shareholder or by the Shareholder's duly authorized attorney in fact. Such proxy shall be filed with the Secretary of the corporation before or at the time of the meeting. No proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

SECTION 7 *VOTING OF SHARE*
Subject to the provisions of Section 9, each outstanding share entitled to vote shall be entitled to one vote upon each matter submitted to a vote at a meeting of shareholders.

SECTION 8 *PREEMPTIVE RIGHTS*
Each holder of shares in this corporation shall have the first right to purchase shares (and securities convertible into shares) of this corporation that may be from time to time issued (whether or not presently authorized), including shares from the treasury of this corporation, in the ratio that the number of shares held by said holder at the time of issue bears to the total number of shares outstanding, exclusive of treasury shares. This right shall be deemed waived by any shareholder who does not exercise it and pays for the shares preempted within thirty (30) days of receipt of a notice in writing from the corporation stating the prices, terms and conditions of the issue of shares and inviting said holder to exercise his preemptive rights.

SECTION 9 *CUMULATIVE VOTING*
Every shareholder entitled to vote at each election of Directors shall have the right to accumulate their votes by giving one candidate as many votes as the number of the Directors to be elected multiplied by the number of their shares shall equal, or by distributing such votes on the same principal among any number of such candidates.

SECTION 10 *INFORMAL ACTION BY SHAREHOLDER*
Any action required to be taken at a meeting of the shareholders, or any other action which may be taken at a meeting of the shareholders, may be taken without a meeting of a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders entitled to vote with respect to the subject matter thereof.

ARTICLE III *BOARD OF DIRECTORS*

SECTION 1 *GENERAL POWERS*
The business and affairs of the corporation shall be managed by its Board of Directors.

SECTION 2 *NUMBER,TENURE, AND QUALIFICATIONS*
The number of Directors of the corporation shall be at least two but not more than seven. Each director shall hold office until the next annual meeting of shareholders and until the Director's successor shall have been elected and qualified.

SECTION 3 ***REGULAR MEETINGS***

A regular meeting of the Board of Directors shall be held without other notice than this by-law immediately after, and at the same place as, the annual meeting of shareholders. The Board of Directors may provide, by resolution, the time and place, either within or without the State of Nevada, for the holding of additional regular meetings without other notice than such resolution.

SECTION 4 ***SPECIAL MEETINGS***

Special meetings of the Board of Directors may be called by or at the request of the President or any two Directors. The person or persons authorized to call special meetings of the Board of Directors may fix any place either within or without the State of Nevada, as the place for holding any special meeting of the Board of Directors called by them.

SECTION 5 ***NOTICE***

Notice of any special meeting shall be given at least four days previously thereto by written notice delivered personally or mailed to each Director at their customary business address. If mailed, such notice shall be deemed to be delivered when deposited in the United States Mail so addressed, with postage thereon prepaid. Any Director may waive notice of any meeting. The attendance of a Director at a meeting shall constitute a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting 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 Board of Directors need be specified in the notice or waiver of notice of such meeting.

SECTION 6 ***QUORUM***

A majority of the number of Directors fixed by Section 2 of this Article III shall constitute a quorum for the transaction of business at any meeting of the Board of Directors, but if less than such majority is present at a meeting, a majority of the Directors present may adjourn the meeting from time to time without further notice.

SECTION 7 ***MANNER OF ACTING***

The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

SECTION 8 ***VACANCIES***

Any vacancy occurring in the Board of Directors may be filled by the affirmative vote of a majority of the remaining Directors though less than a quorum of the Board of Directors. A Director elected to fill a vacancy shall be elected for the unexpired term of the predecessor in office.

SECTION 9 ***COMPENSATION***

By resolution of the Board of Directors, the Directors may be paid their expenses, if any, for attendance at each meeting of the Board of Directors, and may be paid a fixed sum for attendance at each meeting of the Board of Directors. No such payment shall preclude any director from serving the corporation in any other capacity and receiving compensation therefore.

SECTION 10 ***PRESUMPTION OF ASSENT***
A Director of the corporation who is present at a meeting of the Board of Directors, at which action on any corporate matter is shall be presumed to assent to the action taken unless the Director's dissent shall be entered in the minutes, of the meeting or unless the Director shall file a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof, or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. Such right to dissent shall not apply to a Director who voted in favor of such action.

SECTION 11 ***EXECUTIVE COMMITTEE***
The Board of Directors, by resolution adopted by the majority of the Directors fixed by the by-laws, may designate a committee of not less than two Directors which committee, in absence of a resolution of the Board of Directors limiting or restricting its authority shall have and may exercise all of the authority of the Board of Directors in the management of all business and affairs of the corporation, except the Executive Committee may not fill vacancies in the Board of Directors or amend these by-laws. The Board of Directors may at any time remove any member of the Executive Committee with or without cause and may terminate or in any way in its sole discretion limit or restrict the authority of the Executive Committee. The Committee shall keep a record of its proceedings and report such proceedings to the Board of Directors.

ARTICLE IV *OFFICERS*

SECTION 1 ***NUMBER***
The officers of the corporation shall be a President, one or more Vice Presidents (the number thereof, if any, to be determined by the Board of Directors), a Secretary, and a Treasurer, each of who shall be elected by the Board of Directors. Any two or more officers may be held by the same person, except the offices of President and Secretary.

SECTION 2 ***ELECTION AND TERM OF OFFICE***
The officers of the corporation to be elected by the Board of Directors shall be elected annually by the Board of Directors at the first meeting of the Board of Directors held after each annual meeting of the shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as conveniently may be. Each officer shall hold office until a successor shall have been duly elected and shall have qualified or until the Officer's death or until the Officer shall resign or shall have been removed in the manner hereinafter provided.

SECTION 3 ***REMOVAL***
Any officer or agent elected or appointed by the Board of Directors may be removed by the Board of Directors, whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

SECTION 4 ***VACANCIES***

A vacancy in any office because of death, resignation, removal, disqualification or otherwise, may be filled by the Board of Directors for the unexpired portion of the term.

SECTION 5 ***PRESIDENT***

The President shall be the principal executive officer of the corporation and, subject to the control of the Board of Directors, shall in general supervise and control all of the business and affairs of the corporation. The President shall, when present, preside at all meetings of the shareholders and of the Board of Directors. The President may sign, with the Secretary or any other proper officer of the corporation thereunto authorized by the Board of Directors, certificates for shares of the corporation, and in general shall perform all duties incident to the office of President and such other duties as may be prescribed by the Board of Directors from time to time.

SECTION 6 ***THE VICE PRESIDENT***

In the absence of the President or in the event of the President's death, inability or refusal to act, the Vice President (or in the event there be more than one Vice President, the Vice Presidents in the order designated at the time of their election, or in the absence of any designation, then in the order of their election) shall perform the duties of the President, and when so acting shall have all the powers of and be subject to all the restrictions upon the President. Any Vice President may sign, with the Secretary or an Assistant Secretary, certificates for shares of the corporation; and shall perform such other duties as from time to time may be assigned to the Vice President by the President or by the Board of Directors.

SECTION 7 ***THE SECRETARY***

The Secretary shall: (a) keep the minutes of the shareholders' and of the Board of Directors' meetings in one or more books provided for the purpose; (b) see that all notices are duly given in accordance with the provisions of these by-laws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of which on behalf of the corporation under its seal is duly authorized; (d) keep a register of the post office address of each shareholder which shall be furnished to the Secretary by such shareholder; (e) sign with the President, or a Vice President, certificates for shares of the corporation, the issuance of which shall have been authorized by resolution of the Board of Directors; (f) have general charge of the stock transfer books of the corporation; and (g) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to the Secretary by the President or by the Board of Directors.

SECTION 8 ***THE TREASURER***

The Treasurer shall (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies or other depositaries as shall be selected in accordance with the provisions of Article V of these by-laws; and (c) in general perform all of the duties incident to the office of the Treasurer and such other duties as from time to time may be assigned to the Treasurer by the President or by the Board of Directors.

SECTION 9 ***SALARIES***
The salaries of the officers shall be fixed from time to time by the Board of Directors and no officer shall be prevented from receiving such salary by reason of the fact that the officer is also a Director of the corporation.

ARTICLE V *CONTRACTS, LOANS, CHECKS, AND DEPOSITS*

SECTION 1 ***CONTRACTS***
The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract, to execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances

SECTION 2 ***LOANS***
No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances.

SECTION 3 ***CHECKS, DRAFTS, ETC.***
All checks, drafts, or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation shall be signed by such officer or officers, agent or agents, of the corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

SECTION 4 ***DEPOSITS***
All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositaries as the Board of Directors may select.

ARTICLE VI *CERTIFICATES FOR SHARES AND THEIR TRANSFER*

SECTION 1 ***CERTIFICATES FOR SHARES***
Certificates representing shares of the corporation shall be in such form as shall be determined by the Board of Directors. Such certificates shall be signed by the President or a Vice President and by the Secretary or an Assistant Secretary. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation. All certificates surrendered to the corporation for transfer shall be canceled and no certificates shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed or mutilated certificate, a new one may be issued therefore upon such terms and indemnity to the corporation as the Board of Directors may prescribe.

SECTION 2 ***TRANSFER OF SHARES***
Transfer of shares of the corporation shall be made only on the stock transfer books of the corporation by the holder of record thereof or by a legal representative, who shall furnish proper evidence of authority to transfer, or by an attorney thereunto authorized by power of attorney duly executed and filed with the Secretary of the corporation, and on surrender for cancellation of the certificate for such shares. The person in whose name shares stand on the books of the corporation shall be deemed by the corporation to be the owner thereof for all purposes.

ARTICLE VII *FISCAL YEAR*

The fiscal year of the corporation shall begin on the first (1st) day of January and end on the thirty-first (31st) day of December in the year 2012.

ARTICLE VIII *DIVIDENDS*

The Board of Directors may from time to time declare, and the corporation may pay, dividends on its outstanding shares in the manner and upon the tenns and conditions provided by law.

ARTICLE IX *SEAL*

The Board of Directors shall provide a corporate seal which shall be circular in form and shall have inscribed thereon the name of the corporation and conditions provided by law.

ARTICLE X *WAIVER OF NOTICE*

Whenever any notice is required to be given to any shareholder or director of the corporation under the provisions of these by-laws or under the provisions of the articles of incorporation or under the provisions of the Resolution of the Corporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XI ***AMENDMENTS***

These by-laws may be altered, amended or repealed and new by-laws may be adopted by unanimous vote of the Board of Directors at any regular of special meeting of the Board of Directors, or by affirmative vote of two-thirds of the outstanding shares.

The foregoing initial by-laws of the corporation were adopted by the Board of Directors on this day of ____________, ______.

Frank Toy Yoder, Jr. **DIRECTOR**	Frank Toy Yoder, Jr. **DIRECTOR**
Michael T Yoder **DIRECTOR**	**DIRECTOR**
S. VERNON RODRIGUEZ **DIRECTOR**	**DIRECTOR**
Ron Robinson **DIRECTOR**	**DIRECTOR**

CERTIFICATE OF DESIGNATION

OF

SERIES A CONVERTIBLE PREFERRED STOCK

OF

VIRTUAL COMMUNICATIONS CORPORATION., a Nevada corporation

(Pursuant to Section 178.1955 of the Nevada Revised Statutes

Virtual Communications Corporation, a corporation organized and existing under the Nevada Revised Statutes (hereinafter called the "Corporation"), hereby certifies that the following resolution was adopted by the Board of Directors of the Corporation as required by Nevada Revised Statutes Section 178.1955 at a meeting duly called and held on 10/31, 2014:

RESOLVED, that pursuant to the authority granted to and vested in the Board of Directors of this Corporation (hereinafter called the "Board") in accordance with the provisions of the Amended and Restated Articles of Incorporation of the Corporation, the Board hereby creates a series of Preferred Stock, par value $.001 per share (the "Preferred Stock"), of the Corporation and hereby states the designation and number of shares, and fixes the relative rights, preferences, and limitations thereof as follows:

Series A Preferred Stock:

(a) Designation. The series of Preferred Stock to which this Certificate of Designation relates shall be designated "Series A Convertible Preferred Shares" (the "Series A Preferred Stock").

(b) Par Value. The par value of the Series A Preferred Stock shall be $0.001 per share.

(c) Number of Shares. The number of shares constituting the Series A Preferred Stock shall be 5,000,000 shares. None of the shares of the Series A Preferred Stock have been issued. No additional shares of Series A Preferred Stock shall be authorized without the consent of 60% of the Series A Preferred Stock as provided in Section (f)(1)(D).

(d) Dividends. The holders of Series A Preferred Stock will be entitled to receive non-cumulative dividends at the rate per share of seven percent

(7.0%) of the Series A Preferred Stock liquidation preference, when declared by the Board. No dividend shall be paid on any shares of Common Stock unless a dividend is paid with respect to all shares of Series A Preferred Stock in an amount equal to or greater than the aggregate amount of such dividends for all shares of Common Stock into which such shares of Series A Preferred Stock could be converted. No dividends may be declared on the Series A Preferred Stock until the after the first anniversary of the initial Qualifying Sales of Series A Preferred Stock. Qualifying Sales shall be cumulative sales of Series A Preferred Stock to one or more purchasers for aggregate cash consideration of not less then $5,000,000.

(c) Liquidation Preferences.

(1) Upon any liquidation, dissolution or winding up of the Corporation, each holder of the Series A Preferred Stock will be entitled to be paid, before any distribution or payment is made upon any Common Stock of the Corporation or any other series of capital stock, pari passu with the holders of any additional series of preferred stock ("Additional Series", and together with the Series A Preferred Stock, the "Preferred Stock") based upon the relative liquidation preferences of the Series A Preferred Stock and such Additional Series, an amount in cash equal to the greater of (i) $10.00 per share of the Series A Preferred Stock, or such lesser sum per share in the event the assets of the Corporation that are available for distribution to holders of Series A Preferred Stock are not sufficient to pay $10.00 for each share of Series A Preferred Stock, (which amount shall be subject to adjustment whenever there shall occur a stock split, combination, reclassification or other similar event involving the Series A Preferred Stock) held by such holder, plus accrued but unpaid declared dividends, since the date of issue up to and including the date full payment shall be tendered to the holders of the Series A Preferred Stock with respect to such liquidation, dissolution or winding up or (ii) that portion of the remaining assets of the Corporation legally available for distribution to its stockholders allocated among the holders of the Common Stock, the Series A Preferred Stock and the holders of any Additional Series, collectively as one class being made ratably as if each share of the Series A Preferred Stock had been converted into the number of

shares of Common Stock issuable upon the conversion of a share of Series A Preferred Stock immediately prior to any such liquidation, dissolution or winding up of the Corporation (the "Liquidation Amount").

(2) The reorganization, consolidation or the merger of the Corporation into or with any other corporation(s) or other entity(ies) in which the stockholders of the Corporation do not hold more than fifty percent (50%) of the voting securities of the merged or consolidated entity, ("Reorganization"), the sale, lease, licensing, exchange or other transfer by the Corporation of all or substantially all of its assets or the commencement by the Corporation of a voluntary case under the United States bankruptcy laws or any applicable bankruptcy, insolvency or similar law of any other country, or the consent to the entry of an order for relief in an involuntary case under any such law or to the appointment of a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Corporation or of any substantial part of its property, or the making of an assignment for the benefit of its creditors, or an admission in writing of its inability to pay its debts generally as they become due, will be deemed to be a liquidation, dissolution or winding up of the Corporation within the meaning of this subsection; provided that a Reorganization of the Corporation shall not be deemed to be a liquidation, dissolution or winding up of the Corporation within the meaning of this section if (a) the principal agreement for such Reorganization shall expressly provide that the Series A Preferred Stock shall become preferred stock of such surviving entity with rights equivalent to the rights set forth herein ("Surviving Entity Preferred Stock") and (b) the holders of Series A Preferred Stock shall be entitled to receive at the option of each such holder either (A) the Surviving Entity Preferred Stock or (B) the kind and amount of shares or other securities or property which they would have been entitled to receive had they converted their shares of Series A Preferred Stock into shares of Common Stock of the Corporation pursuant to Section (g)(1) hereof.

(f) <u>Voting Rights</u>.

(1) Except as expressly set forth herein or as required by law, the Series A Preferred Stock holders shall be entitled to notice of any

shareholders' meeting and shall have the right to vote, together with the Common Stock as a single class, that number of votes equal to the number of shares of Common Stock into which such Series A Preferred Stock is then convertible; and provided further, that where the Nevada Revised Statutes require a class vote of preferred stock, the Series A Preferred Stock will vote with all other outstanding shares of Preferred Stock as a single class, and where the rights, privileges and preferences of the Series A Preferred Stock would be adversely affected as a class (as distinguished from being affected on a pro-rata basis with holders of all other securities), a vote of the Series A Preferred Stock as a separate class shall be required.

In addition to any other rights provided by law, so long as any Series A Preferred Stock is outstanding, the Corporation shall not, without first obtaining the affirmative vote or written consent of the holders of not less than 60% of such outstanding shares of Series A Preferred Stock:

(A) alter, change or amend the preferences, privileges or rights of Series A Preferred Stock or increase or decrease the authorized number of shares of Series A Preferred Stock;

(B) authorize or issue, or obligate itself to authorize or issue, any equity security with rights, preferences or privileges senior to the Series A Preferred Stock as to liquidation preferences, redemption rights or voting rights;

(C) make any material change in the type of business in which the Corporation is engaged in as of the date of this Certificate;

(D) increase or decrease the authorized number of directors constituting the Board or change the election procedures with respect thereto;

(E) amend its Articles of Incorporation, or waive any provision thereof, if such amendment or waiver would amend, waive or adversely affect any of the rights, preferences, privileges of or limitations provided for herein for the benefit of any shares of Series A Preferred Stock, including but not limited to changing the relative seniority rights of the holders of Series A Preferred Stock as to the payment of dividends in relation to the holders of any other capital stock of the Corporation, reduce the Liquidation Amount or change the relative seniority of the payment of proceeds from a winding up or dissolution of the Corporation, cancel or modify the conversion rights set forth in Section (g), or the rights in this Section (f); or

(F) amend its By-Laws, if such amendment would adversely affect the holders of the Series A Preferred Stock; or

(G) declare a dividend with regard to Common Stock of the Corporation (except for dividends that are permitted pursuant to Section (d)). This provision shall not apply to the Corporation's repurchase of capital stock granted pursuant to a Stock Benefits Plan (as defined in subsection (g)(6)(B)(iv);

(H) reclassify any shares of Common Stock of the Corporation into shares having a priority or preference superior to or on parity with any priority or preference of the Series A Preferred Stock;

(I) the issuance of securities by any subsidiary of the Corporation to a person or entity other than the Corporation or another subsidiary of the Corporation;

(J) approve any extraordinary corporate transaction, including the sale or exclusive license of all or substantially all of the Corporation's assets, any merger, consolidation, liquidation or any public offering of the Corporation's securities;

(K) any increase in the number of authorized shares of any class of the Corporation's securities; or

(L) agree to do any of the foregoing.

(g) Conversion. The holders of the Series A Preferred Stock shall have conversion rights as follows (the "Conversion Rights"):

(1) Right to Convert. Each share of Series A Preferred Stock shall be convertible at the office of the Corporation, at the option of the holder thereof, any time after the Common Stock is traded in the over the counter market or on an exchange. Each share of Series A Preferred Stock shall be convertible into the number of shares of Common Stock which results from dividing the "Conversion Value" per share by the "Conversion Price" in effect at the time of conversion. The number of shares of Common Stock into which a share of Series A Preferred Stock is convertible is hereinafter referred to as the "Conversion Rate" with a maximum Conversion Rate of three shares of Common Stock per share of Series A Preferred Stock. The Conversion Price per share for the Series A Preferred Stock initially in effect shall be the eighty percent (80%) of the average closing bid price of the Common Stock for thirty (30) consecutive trading days preceding the Conversion Date; and the Conversion Value per share of the Series A Preferred Stock shall be $10.00. Except for any automatic conversion in Section g(2), the Conversion Date shall be the date that the holder of Series A Preferred Stock delivers written notice to the Corporation of such holder's election to convert. The initial Conversion Price of the Series A Preferred Stock shall be subject to adjustment as hereinafter provided.

(2) Automatic Conversion. Each share of Series A Preferred Stock shall automatically be converted into Common Stock at its then effective Conversion Rate immediately upon the closing of a public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, covering any of the Corporation's securities (as that term is defined under the Securities Act of 1933, as then in effect) and which values the Corporation at $150,000,000 or more, and in which the proceeds to the Corporation are not less than $25,000,000. The Conversion Price for an Automatic Conversion shall be eighty percent (80%) of the closing bid price for the Common Stock on the closing date of the public offering.

(3) Mechanics of Conversion. Before any holder of Series A Preferred Stock shall be entitled to convert the same into Common Stock as provided in Section (g)(1), such holder shall surrender the certificate or certificates therefor, duly endorsed, at the office

of the Corporation and shall give written notice to the Corporation at such office that the holder elects to convert the same. The Corporation shall, as soon as practicable thereafter, issue and deliver at such office to such holder of Series A Preferred Stock a certificate or certificates for the number of shares of Common Stock to which he shall be entitled as aforesaid. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of the Series A Preferred Stock to be converted, and the person or persons entitled to receive Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Common Stock on such date.

In the event of an automatic conversion pursuant to Section (g)(2), the outstanding Series A Preferred Stock shall be converted automatically without any further action by the holders of the Series A Preferred Stock and whether or not the certificates representing the Series A Preferred Stock are surrendered to the Corporation; provided, however, that the Corporation shall not be obligated to issue certificates evidencing the Common Stock issuable upon such automatic conversion unless the certificates evidencing such Series A Preferred Stock are either delivered to the Corporation as provided above, or the holder notifies the Corporation that such certificates have been lost, stolen or destroyed and executes an agreement satisfactory to the Corporation to indemnify the Corporation from any loss incurred by it in connection with such certificates. The Corporation shall, as soon as practicable after such delivery, or such agreement and indemnification in the case of a lost certificate, issue and deliver at such office to such holder of Series A Preferred Stock, a certificate or certificates for the number of shares of Common Stock to which he shall be entitled as aforesaid and a check payable to the holder in the amount of any cash amounts payable as the result of a conversion into fractional shares of Common Stock. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of closing of the offering, and the person or persons entitled to receive the Common Stock issuable upon such conversion shall be treated for all purposes as the record holder or holders of such Common Stock on such date.

(4) Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of Series A Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the Conversion Price.

(5) Adjustment of Conversion Price Generally. The Conversion Price of the Series A Preferred Stock shall be subject to adjustment from time to time as follows:

(A) If the number of shares of Common Stock outstanding at any time after the date hereof is increased by a share distribution payable in Common Stock or by a subdivision or split-up of Common Stock, then, on the date such payment is made or such change is effective, the Conversion Price shall be appropriately decreased so that the number of shares of Common Stock issuable on conversion of the Series A Preferred Stock shall be increased in proportion to such increase of outstanding shares.

(B) If the number of shares of Common Stock outstanding at any time after the date hereof is decreased by a combination of the outstanding Common Stock, then, on the effective date of such combination, the Conversion Price shall be appropriately increased so that the number of shares of Common Stock issuable on conversion of the Series A Preferred Stock shall be decreased in proportion to such decrease in outstanding shares.

(C) In case the Corporation shall declare a cash distribution upon its Common Stock payable otherwise than out of retained earnings or shall distribute to holders of its Common Stock securities (other than Common Stock), other securities of other persons, evidences of indebtedness issued by the Corporation or other persons, assets (excluding cash distributions), or options or rights (excluding options to purchase and rights to subscribe for Common Stock or other securities of the Corporation convertible into or exchangeable for Common Stock), then, in such case, the holders of Series A Preferred Stock shall, concurrent with the distribution to holders of Common Stock, receive a like distribution based upon the number of shares of Common Stock into which such Series A Preferred Stock are then convertible; provided, however, that in the event dividends are paid to holders of both Common Stock and Series A Preferred Stock with respect to any such distributions, no adjustment for such dividends shall be made.

(D) In case, at any time after the date hereof, of any capital reorganization, or any reclassification of the shares of the Corporation (other than as a result of a share distribution or subdivision, split-up or combination of shares), or the consolidation or merger of the Corporation with or into another person (other than a consolidation or merger in which the Corporation is the continuing entity and which does not result in any change in the Common Stock), or the sale or other disposition of all or substantially all the properties and assets of the Corporation as an entirety to any other person, the Series A Preferred Stock shall, if such event is not deemed a liquidation for purposes of Section (e)(3), after such reorganization, reclassification, consolidation, merger, sale or other disposition, be convertible into the kind and number of shares or other securities or property of the Corporation or of the entity resulting from such consolidation or surviving such merger, or to which such properties and assets shall have been sold or otherwise disposed, to which such holder would have been entitled if immediately prior to such reorganization, reclassification, consolidation, merger, sale or other disposition he had converted his Series A Preferred Stock into Common Stock. The provisions of this subsection (D) shall similarly apply to successive reorganizations, reclassifications, consolidations, mergers, sales or other dispositions.

(E) All calculations under this Section (g) shall be made to the nearest cent or to the nearest one hundredth (1/100) of a share, as the case may be.

(6) Adjustment in Conversion Price of Series A Preferred Stock for Share Issuances Below Conversion Price. If the Corporation shall issue (or, pursuant to this Section (g)(6), shall be deemed to have issued) any shares other than "Excluded Shares" (as defined below) for a consideration per share less than the Conversion Price of the Series A Preferred Stock in effect immediately prior to the issuance of such shares (excluding share subdivisions, split-ups, combinations, distributions or recapitalizations which are covered by Section (g)(5) hereof) (a "Dilutive Issuance"), the Conversion Price of the Series A Preferred Stock in effect immediately after each such issuance shall forthwith be adjusted pursuant to subsections (A) and (B) hereof.

(A) The Conversion Price shall be adjusted to a price equal to the quotient obtained by dividing:

(i) an amount equal to the sum of

(1) the total number of shares of Common Stock outstanding (including any Common Stock issuable upon conversion of all series of Preferred Stock, or deemed to have been issued pursuant to subdivision (B) of this subsection (6)) immediately prior to such Dilutive Issuance multiplied by the Conversion Price in effect immediately prior to such Dilutive Issuance, plus

(2) the consideration received by the Corporation upon such Dilutive Issuance, by

(ii) the total number of shares of Common Stock outstanding immediately prior to such Dilutive Issuance (including any Common Stock issuable upon conversion of Preferred Stock or deemed to have been issued pursuant to subdivision (B) of this subsection (6)) plus the number of shares actually issued in the Dilutive Issuance.

(B) For the purposes of any adjustment of the Conversion Price for the Series A Preferred Stock pursuant to this Section (g)(6), the following provisions shall apply:

(i) In the case of the issuance of shares for cash, the consideration shall be deemed to be the amount of cash paid therefor without deduction of any discounts or commissions paid or incurred by the Corporation in connection with the issuance and sale thereof.

(ii) In the case of the issuance of shares for a consideration in whole or in part other than cash, the consideration other than cash shall be deemed to be the fair value thereof as reasonably determined by the Board, in accordance with generally accepted accounting treatment; provided, however, that if, at the time of such determination, the Corporation's stock is traded in the over-the-counter market or on a national or regional securities exchange, such fair market value as determined by the Board shall not exceed the aggregate "Current Market Price" (as defined below) of the shares being issued.

(iii) In the case of the issuance of (x) options to purchase or rights to subscribe for shares (other than Excluded Shares), (y) securities by their terms convertible into or exchangeable for Common Stock (other than Excluded Shares), or (z) options to purchase or rights to subscribe for such convertible or exchangeable securities:

(1) the aggregate maximum number of shares deliverable upon exercise of such options to purchase or rights to subscribe for shares shall be deemed to have been issued at the time such options or rights were issued and for a consideration equal to the consideration (determined in the manner provided in subdivisions (B)(i) and (B)(ii) above), if any, received by the Corporation upon the issuance of such options or rights plus the purchase price provided in such options or rights for the shares covered thereby;

(2) the aggregate maximum number of shares deliverable upon conversion of or in exchange for any such convertible or exchangeable