

**UNITED STATES OF AMERICA**  
**Before the**  
**SECURITIES AND EXCHANGE COMMISSION**

**ADMINISTRATIVE PROCEEDING**

**File No. 3-16386**

**In the Matter of**

**TRACI J. ANDERSON, CPA**  
**TIMOTHY W. CARNAHAN**  
**AND CYIOS CORPORATION,**

**Respondents.**

**DIVISION OF ENFORCEMENT'S BRIEF IN RESPONSE TO  
RESPONDENT CYIOS'S PETITION FOR REVIEW OF THE  
ADMINISTRATIVE LAW JUDGE'S INITIAL DECISION**

Dated: April 26, 2021

Respectfully submitted,

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The Division of Enforcement (“Division”) respectfully submits this brief in response to Respondent CYIOS’s Petition for Review of the Administrative Law Judge’s (“ALJ’s”) Initial Decision.

### **PRELIMINARY STATEMENT**

After two separate evidentiary hearings, two different ALJs determined that CYIOS’s false statements in public filings violated Section 17(a)(3) of the Securities Act of 1933 (“Securities Act”). (Judge Elliot’s Initial Decision, Initial Decision Rel. No. 930, *In the Matter of Tracy J. Anderson, et al.*, 2015 WL 9297356 (Dec. 21, 2015); Judge Grimes’s Initial Decision, Initial Decision Rel. No. 1394, *In the Matter of Tracy J. Anderson, et al.*, 2020 WL 260282 (Jan. 10, 2020)).<sup>1</sup> The ALJs further found that because CYIOS failed to file annual reports in 2012 and 2013 and certain quarterly reports in 2013 and 2014, it violated Exchange Act Section 13(a) and Rules 13a-1 and 13a-13. *Id.* Throughout the company’s violations, the ALJs found that CYIOS acted deceitfully and with a deliberate disregard of these regulatory requirements and imposed disgorgement, civil penalty, and a cease-and-desist order against the company. *Anderson*, 2015 WL 9297356 at \*21; *Anderson*, 2020 WL 260282 at \*11-12. The pending Initial Decision, issued by Judge Grimes, orders disgorgement in the amount of \$37,500 and a civil penalty in the amount of \$500,000 against the company. *Anderson*, 2020 WL 260282 at \*11-12.

In its current petition to the Commission, CYIOS does not dispute any factual finding made by the ALJs. (CYIOS’s Opening Brief, March 26, 2021, p. 12). Rather, CYIOS argues that the Commission should reevaluate—and eliminate—the imposition of injunctions, disgorgement, and a civil penalty in light of a single new fact: CYIOS purportedly changed

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<sup>1</sup> The operative initial decision in this case is Judge Grimes’s 2020 order. CYIOS challenges the rulings of that order and the Division seeks affirmation of that order. The 2015 initial decision is included here only for procedural context.

management in May 2020, four months after the Initial Decision it now challenges. (*Id.*, pp. 8-16).

As explained below, CYIOS cites no precedent that would support its extreme request to strike the well-considered decision of an ALJ based on a last-minute change of personnel. Further, even if the Commission were inclined to consider CYIOS's request, the statements of new management raise more questions than they answer and do not appear to reduce the likelihood of CYIOS's future violations. The ALJ's Initial Decision was correctly decided and should be affirmed.

### **FACTS ARISING AFTER INITIAL DECISION<sup>2</sup>**

#### **I. CYIOS'S FIRST PURPORTED CHANGE IN CONTROL**

On February 3, 2020, the Division received a Petition for Review of Initial Decision in this matter filed by David Greene on behalf of CYIOS. In that document, CYIOS claimed that David Greene had, through agreement with Carnahan, become "the new controlling shareholder, CEO, Chairman, and Secretary of the Corporation" *as of August 30, 2019*. (CYIOS's Petition, Feb. 3, 2019, p. 3, Ex. A). In the Petition, Greene claimed that he did not know of the Commission's administrative proceeding when he assumed control of CYIOS. (*Id.*). Notably, CYIOS recited its business address as "1333 Sprucewood Lane" in Deerfield, Illinois. (*Id.*, p. 1). That address belonged to attorney Randall Goulding, CYIOS's securities counsel. (CYIOS's Q3 2019 Report, signed Dec. 11, 2019, attached hereto as Ex. A). Months earlier, in November 2019, as part of Mr. Goulding's longstanding litigation with the SEC, a federal district court in

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<sup>2</sup> Because CYIOS does not dispute the findings of the ALJ, the Division will not repeat them here. For a full description of the findings and procedural history of the case before and after *Lucia*, see the Division's response to Timothy Carnahan's opening brief, filed March 26, 2021.

the Northern District of Illinois found that Mr. Goulding had violated sections of the Investment Advisers Act of 1940 and ordered him to pay disgorgement and penalties in the total amount of \$1,868,074. Additionally, Mr. Goulding had already been convicted of conspiracy to defraud the United States, mail fraud, and illegal transportation of currency and monetary instruments, in violation of 18 U.S.C. §§ 371 and 1341, and 31 U.S.C. §§ 5316(a) and 5322(a) in 1992. *See, e.g., Goulding v. United States*, 92 F.3d 1187 (7th Cir. 1996).

In the February 3, 2020 Petition, Greene and CYIOS attempted to make the same argument now pushed by CYIOS's new management: that the change in control negates any risk of future violations. CYIOS's initial petition, however, was derailed when Carnahan insisted that he had not transferred control to Greene and that Greene's petition was a "fraudulent filing." (*See, e.g., Carnahan's Motion to Strike/Remove from Record: Fraudulent [sic] Filing with Forged Signatures*, February 10, 2020). In email communication with the Division, counsel for CYIOS stated that while "Carnahan had resigned and been replaced earlier," "[h]e then disputed that he resigned and we had him sign a new set of documents confirming his resignation . . . ." (CYIOS's Motion for Reconsideration, March 4, 2021, Ex. A).

## **II. CYIOS'S SECOND PURPORTED CHANGE IN CONTROL**

Whatever the status of ownership and control of CYIOS was between August 20, 2019 and March 13, 2020, CYIOS now takes the position that Carnahan transferred control of the company to David Greene as of March 13, 2020. (*Id.*). Soon thereafter, two new people apparently replaced Greene, who is not mentioned in CYIOS's Opening Brief at all. David Lewis states that he has been "CEO and a Board member of CYIOS since May 7, 2020." (CYIOS's Opening Brief, Ex. A). John O'Shea states that he has "been CYIOS's chairman since May 7, 2020." (*Id.*). Both Lewis and O'Shea attest that they have never been the subject of an

investigation or enforcement action by any securities regulator and that CYIOS is now using appropriate and effective internal controls. (*Id.*).

### **ARGUMENT**

CYIOS admits that it violated Section 17(a)(3) of the Securities Act and Section 13(a) of the Exchange Act and Rules 13a-1 and 13a-13 thereunder. (CYIOS’s Opening Brief, p. 10). CYIOS admits that these were “very serious violations.” (*Id.*) CYIOS does not take issue with a single factual finding made by the ALJ in imposing a cease-and-desist order, disgorgement of \$37,500, and a penalty of \$500,000 against the company. Rather, CYIOS argues that “additional material information” should nullify the findings of the ALJ. The only piece of additional information urged upon the Commission is that CYIOS – as of May 2020 – is under new management. CYIOS argues that disgorgement, penalties, and injunctions are inappropriate because its new management removes the risk of future violations. The Commission should reject this argument because it is unsupported by the law and because granting a reprieve based on facts that arose after the initial decision—and years of administrative litigation—would undermine the ability of the Division to enforce the federal securities laws.

#### **I. CYIOS Cannot Avoid the Impact of an ALJ’s Decision by Subsequently Changing Management.**

##### **a. Even Changes to Key Personnel *Before* the Initial Decision Do Not Negate Risk of Future Violations**

The Commission has previously rejected the argument that a change in key personnel mitigates the risk of a company’s future violations. *In the Matter of optionsXpress, Inc., et al.*, Securities Act Rel. No. 10125, 2016 WL 4413227 (August 18, 2016). In the optionsXpress case,

the respondent had been acquired by Schwab after the violative conduct but before the initial decision. *Id.* at \*35. Moreover, the Commission acknowledged that “the managers who were most involved with the violations [had] since left the company.” *Id.* Despite a change in ownership and despite the departure of the responsible individuals, the Commission still found a risk of future violations sufficient to impose a cease-and-desist order and civil penalties against optionsXpress. *Id.* at \*35-39. *See also vFinance Investments, Inc.*, Exchange Act Release No. 62448, 2010 WL 2674858, at \*17 (July 2, 2010) (rejecting argument that cease-and-desist order against broker-dealer was unwarranted because the responsible employee was “no longer associated with [the firm] and ... it is ‘unlikely that the precise situation will arise again in the future’”); *City of Miami*, Exchange Act Release No. 47552, 2003 WL 1412636, at \*11 (Mar. 21, 2003) (explaining that the “departures” of the city “officials involved with that [violative] conduct” did not provide “assurance that [the city] will not commit similar violations in the future”).

In this case, it is undisputed that CYIOS violated the securities laws for many years prior to the ALJ’s initial decision. During that time, there was neither a change in ownership nor a change in key personnel. Instead, CYIOS and Carnahan zealously defended themselves—often frivolously repeating the same rejected arguments—in this administrative proceeding. Only after a finding of liability and an order to pay disgorgement and civil penalties did CYIOS take the remedial measures that it now touts. If such measures could not mitigate future risks in the pre-initial decision context of *optionsXpress*, *vFinance Investments*, and *City of Miami*, then they should not mitigate future risks when undertaken only at the eleventh hour after the imposition of remedies, as they were in this case. The Commission should affirm the decision of the ALJ.

**b. There is no Legal Support for CYIOS’s Request**

CYIOS fails to point to a single case that supports the relief they seek: overturning the decision of an ALJ in light of a post-initial decision transfer of company control. Instead, CYIOS cites cases that are either inapposite or distinguishable: *Raymond James Financial Services, Inc.*, Initial Decision Rel. No. 296, 2005 WL 2237628 (Sept. 15, 2005) (remedial action taken by respondent prior to ALJ’s decision); *SEC v. Cenco, Inc.*, 436 F. Supp. 193 (N.D. Ill. 1977) (massive remedial action taken within days of discovery of irregular financial accounting); *KPMG Peat Marwick, LLP*, Exchange Act Rel. No. 43862, 2001 WL 47245 (Jan. 19, 2001) (acknowledging that “a finding of violation raises a sufficient risk of future violation” and imposing cease-and-desist order); *Blinder, Robinson, and Co., Inc. v. SEC*, 837 F.2d 1099 (dealing with the issue of reliance-on-counsel defense, not belated attempts to mitigate risk of future harm). In this case, CYIOS is attempting to escape an order of disgorgement, civil penalty, and injunction based on a change in management that came ten years after the conduct in question, *after* two full evidentiary hearings before two different administrative law judges, and *after* two separate initial decisions against CYIOS. CYIOS cites no authority for such drastic relief.

Moreover, there is a strong policy obstacle to CYIOS’s argument. If an entity is able to avoid the negative consequences of protracted litigation with the Division—simply by changing management at the last possible moment—then the proceedings that came before become meaningless. In this case, the sequence of events is particularly egregious: (1) CYIOS had, and wasted, an opportunity to present witnesses and evidence in 2015; (2) Judge Elliot issued an Initial Decision adverse to CYIOS; (3) the company then obtained a procedural reprieve (arising from *Lucia* and completely independent of the merits of its case); (4) CYIOS had another

hearing in 2019 before a different ALJ and again failed to put on a single witness; (5) Judge Grimes reached the same result in 2020; (6) then Carnahan finally gave control of the company to David Greene, who apparently gave control to Lewis and O’Shea – none of whom apparently conducted diligence sufficient to uncover publicly available information about this proceeding. If a company may avoid all consequence through this chain of events, then the Commission is providing a blueprint for any entity to get an unwarranted “second bite at the apple.” Such a regulatory framework would encourage frivolous litigation that would waste Commission and Division resources only to be undone at the last moment.

**c. Statements by CYIOS’s New Managers Do not Inspire Confidence**

Even if the Commission were to conclude that a management team installed after the ALJ’s initial decision could negate a finding of future risks, CYIOS’s effort still fails. The new managers of CYIOS have provided affidavits attesting to their clean personal regulatory records and promising to be better managers of the company than Carnahan. (CYIOS’s Opening Brief, Ex. A). In fact, they strenuously argue that “had CYIOS’s current Management been aware of the Administrative Proceeding, [they] would have immediately retained legal counsel to correspond with the Commission’s staff in order to rectify CYIOS’s violations and implement any necessary remedial procedures.” (*Id.* at p. 10). This argument is puzzling for many reasons. First, CYIOS disclosed this pending administrative proceeding in its 2019 annual report, filed on April 15, 2020, *a month before* Lewis and O’Shea claim that they took the reins. (CYIOS 2019 Annual Report, attached hereto as Ex. B). It is not credible that Lewis and O’Shea were not immediately aware of this proceeding when they purportedly took control. Additionally, in pursuing this argument, CYIOS studiously avoids any mention of (1) when and how new management came to be aware of this proceeding; and (2) what diligence they, or the

immediately preceding CEO, David Greene, conducted into CYIOS's regulatory issues. Certainly, this administrative proceeding has been no secret; the administrative docket has been publicly available at [www.sec.gov](http://www.sec.gov) throughout its pendency. It is difficult to understand how new management will ensure future compliance when they failed to discover *publicly disclosed* malfeasance before taking control of the company. Finally, even though new management has been in control for nearly a year, counsel for CYIOS has not yet corresponded with counsel for the Division to rectify CYIOS's violations or implement any remedial procedures. While they now claim that "CYIOS would emphatically have avoided needless litigation with the Commission" and that they were "not afforded opportunity to properly act on CYIOS's behalf in this matter," no representative of CYIOS has even sought to start a dialogue about settlement during the ample time in which new management has been in charge.

Further eroding trust in new management, CYIOS repeatedly makes the questionable claim that "Carnahan is no longer affiliated *in any way* with CYIOS." (CYIOS's Opening Brief at pp. 11-13, emphasis added). CYIOS's 2020 annual report, certified by Lewis and O'Shea on April 15, 2021, explicitly lists Carnahan as a person "affiliated" with the company by virtue of the 5,000,000 shares of common stock he holds. (CYIOS 2020 Annual Report, attached hereto as Ex. C). This example of new management playing loose with the facts, especially when combined with its failure to describe any of the circumstances surrounding the transfer from David Greene as well as the Company's engagement with a felon (Randall Goulding), does not inspire confidence that CYIOS's violations are all in the past.

## **II. The Commission Should Affirm All Remedies Ordered in the Initial Decision**

CYIOS's sole argument to the Commission relies on a last-minute change in company control. As discussed above, this is inadequate to reverse the ALJ's imposition of a cease-and-

desist order and a civil penalty. CYIOS argues that the existence of new management “negates the likelihood of any future violations by CYIOS.” (Opening Brief at pp. 9, 13). This blanket guarantee of no future violations is diminished by the oddly naïve stance now taken by Lewis and O’Shea. It is difficult to take such a promise seriously from managers who claim ignorance of this entire proceeding when a simple Internet search would have produced the docket. Therefore, the Commission should affirm Judge Grimes’s cease-and-desist order and impose civil penalties in at least the amount ordered below.

As to disgorgement, CYIOS claims that imposing the \$37,500 found by Judge Grimes would “unduly punish” the company’s owners. (Opening Brief at p. 14). This argument turns the purpose of disgorgement—the purging of a wrongdoer’s ill-gotten gains—upside down. CYIOS makes the unsupported claim that an order of disgorgement would neither prevent unjust enrichment nor deter others from violating securities laws. In this case, an order of disgorgement would accomplish precisely those two goals. Judge Grimes found—and CYIOS does not challenge—that CYIOS was unjustly enriched by the \$37,500 in consulting services it received, “otherwise CYIOS would retain a free benefit it gained while violating the law.” (Initial Decision, p. 25). Similarly, CYIOS does not even attempt to articulate a challenge to Judge Grimes’s determination that such disgorgement would deter others from violating the securities laws. Accordingly, the Commission should affirm the Initial Decision’s order of disgorgement.

### **CONCLUSION**

Because of CYIOS’s repeated violations of the federal securities laws, the Commission should affirm the Initial Decision and impose a cease-and-desist order, disgorgement, and a civil penalty against it.

DATED: April 26, 2021

Respectfully submitted,

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COUNSEL FOR THE  
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SERVICE LIST

Pursuant to Rule 150 of the Commission's Rules of Practice, I hereby certify that on April 26, 2021, the foregoing document was filed using the eFAP system and that a true and correct copy of the Division of Enforcement's Notice of Appearance was served electronically upon each person previously agreeing to accept documents by electronic means. A copy of the foregoing pleading has also been provided to the APFilings@sec.gov mailbox.

\_\_\_\_\_  
Matthew J. Gulde

# Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

## CYIOS Corporation

18851 NE 29<sup>th</sup> Ave. Suite 1011  
Aventura, FL 33180

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888-285-1351  
www.cyioscorporation.com  
info@cyioscorporation.com  
SIC 7389

### Quarterly Report For the Period Ending: 03/31/2020 (the "Reporting Period")

As of June 15, 2020, the number of shares outstanding of our Common Stock was:

64,605,193

As of December 31, 2019, the number of shares outstanding of our Common Stock was:

36,311,640

As of December 31, 2018, the number of shares outstanding of our Common Stock was:

36,311,640

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes:  No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes:  No:

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes:  No:

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<sup>1</sup> "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

## 1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities and the dates of the name changes.

Formerly=China Printing, Inc. until 11-05  
Formerly=WorldTeq Group International, Inc. until 4-05  
Formerly=A1 Internet.com, Inc. until 12-01  
Formerly=Halo Holdings of Nevada, Inc. until 5-99

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable)  
Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

CYIOS was incorporated under the laws of the state of Nevada on October 13, 1997 as Halo Holdings of Nevada, Inc.  
The Company is "active" with the state of Nevada

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes:  No:

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

N/A

## 2) Security Information

Trading symbol:	<u>CYIO</u>	
Exact title and class of securities outstanding:	<u>Common</u>	
CUSIP:	<u>23256Y108</u>	
Par or stated value:	<u>\$.001</u>	
Total shares authorized:	<u>100,000,000</u>	as of date: <u>03/31/2020</u>
Total shares outstanding:	<u>53,465,193</u>	as of date: <u>03/31/2020</u>
Number of shares in the Public Float <sup>2</sup> :	<u>15,562,205</u>	as of date: <u>03/31/2020</u>
Total number of shareholders of record:	<u>106</u>	as of date: <u>03/31/2020</u>

*All additional class(es) of publicly traded securities (if any):*

None.

### Transfer Agent

Name: Equiniti (formerly Corporate Stock Transfer)  
Phone: 303-282-4800  
Email: [knaughton@corporatetock.com](mailto:knaughton@corporatetock.com)

Is the Transfer Agent registered under the Exchange Act?<sup>3</sup> Yes:  No:

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors: None.

<sup>2</sup> "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

<sup>3</sup> To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

After the end of the reporting period, on May 7, 2020, the Company acquired Choice Wellness Inc. and Mr. David Lewis was appointed as the Company's Chief Executive Officer and former CEO David Greene remains a director of the Company

### 3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period.**

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

#### A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods:

Shares Outstanding as of Second Most Recent Fiscal Year End:			*Right-click the rows below and select "Insert" to add rows as needed.						
Opening Balance									
Date <u>01/01/2018</u>	Common: 36,311,640								
	Preferred: <u>10,000,000</u>								
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) - OR - Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
1/7/20	<u>New</u>	3,631,164	<u>Common</u>	<u>.001</u>	<u>Yes</u>	J-RICKS LLC <u>Christopher Balmford</u>	<u>Debt Conversion</u>	<u>Unrestricted</u>	<u>4(a)(1)</u>
1/14/20	<u>New</u>	3,571,428	<u>Common</u>	<u>.07</u>	<u>No</u>	CICERO TRANSACT GROUP INC <u>Michael Woloshin</u>	<u>Goods and Services Agreement</u>	<u>Restricted</u>	<u>4(a)(2)</u>
1/15/20	<u>New</u>	1,100,000	<u>Common</u>	<u>.001</u>	<u>Yes</u>	J-RICKS LLC <u>Christopher Balmford</u>	<u>Debt Conversion</u>	<u>Unrestricted</u>	<u>4(a)(1)</u>
3/19/20	<u>New</u>	4,400,000	<u>Common</u>	<u>.001</u>	<u>Yes</u>	J-RICKS LLC <u>Christopher Balmford</u>	<u>Debt Conversion</u>	<u>Unrestricted</u>	<u>4(a)(1)</u>

3/25/20	<u>New</u>	4,450,961	<u>Common</u>	<u>.001</u>	<u>Yes</u>	J-RICKS LLC <u>Christopher Balmford</u>	<u>Debt Conversion</u>	<u>Unrestricted</u>	<u>4(a)(1)</u>
Shares Outstanding on Date of This Report:									
		<u>Ending Balance</u>							
<u>Ending Balance:</u>									
Date <u>03/31/2020</u>	Common: <u>53,465,193</u>								
		Preferred: <u>10,000,000</u>							

**Example:** A company with a fiscal year end of December 31<sup>st</sup>, in addressing this item for its quarter ended September 30, 2019, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2017 through September 30, 2019 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

\_\_\_\_\_

#### B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements:

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
<u>01/10/2016</u>	<u>225,000</u>	<u>225,000</u>	<u>0</u>	<u>01/17/2017</u>	<u>\$.001 per share</u>	<u>J-Ricks LLC</u> <u>Christopher Balmford</u>	<u>Loan</u>
<u>1/2/2020</u>	<u>72,922</u>	<u>71,839</u>	<u>1,083</u>	<u>Demand</u>	<u>25% discount to market price at time of conversion</u>	<u>OFBP Proprietary Limited</u> <u>John O'Shea</u>	<u>Loan</u>
<u>1/2/2020</u>	<u>6,332</u>	<u>6,264</u>	<u>78</u>	<u>Demand</u>	<u>N/A</u>	<u>OFBP Proprietary Limited</u> <u>John O'Shea</u>	<u>Loan</u>
_____	_____	_____	_____	_____	_____	_____	_____

Use the space below to provide any additional details, including footnotes to the table above:

\_\_\_\_\_

#### 4) Financial Statements

A. The following financial statements were prepared in accordance with:

- U.S. GAAP  
 IFRS

B. The financial statements for this reporting period were prepared by (name of individual)<sup>4</sup>:

Name: John Patterson  
Title: Accountant  
Relationship to Issuer: Service Provider

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance sheet;
- D. Statement of income;
- E. Statement of cash flows;
- F. Statement of Changes in Shareholders' Equity
- G. Financial notes; and
- H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

**The unaudited financial statements of the Company for the quarter ended March 31, 2020 are attached hereto.**

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

**5) Issuer's Business, Products and Services**

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

CYIOS Corporation is focused on developing and marketing specialty branded products in the Health and Wellness markets, including the "DR's CHOICE" and "24" brand of products. The team has in-depth knowledge of the health and wellness markets, financial services industry, medical and health services, and blockchain.

As of May 7, 2020, the Company acquired Choice Wellness, a producer of specialty CBD products.

B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of such entity's business, contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

Choice Wellness Inc., a Wyoming corporation, wholly owned subsidiary (as of May 7, 2020)

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<sup>4</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

C. Describe the issuers' principal products or services, and their markets

The Company looks to develop, distribute, and license proprietary products as well as evaluate potential acquisition opportunities. Further, the Company continues to seek and evaluate attractive business opportunities and to leverage its resources and expertise to build a diversified, sustainable business model.

With the acquisition of Choice Wellness the Company is now developing and distributing specialty CBD products sold through doctors' offices.

**6) Issuer's Facilities**

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

None

**7) Officers, Directors, and Control Persons**

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, regardless of the number of shares they own. **If any listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information of an individual representing the corporation or entity in the note section.**

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>David W. Greene</u>	<u>Director (1)</u>	<u>Melbourne, Australia</u>	<u>10,000 (1)</u>	<u>Series B Preferred</u>	<u>100%</u>	Mr. Greene originally acquired 10,000,000 Series A Preferred Shares. Those shares were canceled in March 2020 and replaced with the Series B Preferred at that time. (1)

<u>Timothy Carnahan</u>	<u>5% Holder</u>	<u>Miami, FL</u>	<u>5,000,000</u>	<u>Common</u>	<u>9.3%</u>	Mr. Carnahan agreed to cancel 15,226,235 shares on March 13, 2020, leaving him with 5,000,000 common shares
<u>David Lewis</u>	<u>CEO/Director</u>	<u>Boca Raton, FL</u>	<u>19,250</u>	<u>Series D Preferred (3)</u>	<u>59.2%</u>	
<u>John O'Shea</u>	<u>Director/Chairman of the Board</u>	<u>Melbourne, Australia</u>	<u>10,000</u> <u>15,000</u>	<u>Series B Preferred</u> <u>Series C Preferred (2)</u> <u>Series D Preferred (3)</u>	<u>100%</u> <u>100%</u> <u>7.6%</u>	

- (1) Concurrent with the acquisition of Choice Wellness on May 7, 2020, David Green Exchanged his Series B Preferred shares for 2,348,103 shares of Company common stock and resigned as CEO. He remains a director of the Company.
- (2) Each share of Series C Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into that number of fully paid and nonassessable shares of Common Stock (whether whole or fractional) equal to 0.001% of the total number of shares of Common Stock outstanding at the Conversion Time
- (3) Each share of Series D Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into that number of fully paid and nonassessable shares of Common Stock (whether whole or fractional) equal to 0.001% of the total number of shares of Common Stock outstanding at the Conversion Time

## 8) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

In the Matter of Traci J. Anderson, CPA, Timothy W. Carnahan, and CYIOS Corporation (File No. 3-16386). On February 3, 2020 the Company filed its Petition for Review of the Initial Decision in this matter. The Petition is pending, and the Company intends to vigorously pursue the Petition and any additional appeals, if necessary

On February 13, 2015, the Securities and Exchange Commission entered an "Order Instituting Administrative And Cease- And-Desist Proceedings" The SEC alleged that the Company, its then CEO Timothy Carnahan and its accountant Traci J. Anderson violated certain provisions of the Sarbanes-Oxley Act of 2002, the Securities Exchange Act of 1934 and certain rules promulgated thereunder including the failure to properly assess the Company's internal controls. Ms. Anderson was dismissed from the action on December 21, 2015.

On June 21, 2018, "[i]n light of the Supreme Court's decision in Lucia v. SEC," 138 S. Ct. 2044 (2018), the Commission stayed all pending administrative proceedings, including this one; the stay was operative through August 22, 2018. On August 22, 2018, the Commission ended the stay and ordered a new hearing in each affected proceeding before an administrative law judge who had not previously participated in the proceeding.

On January 10, 2020 the Administrative Law Judge entered an initial decision seeking a cease and desist against the Company and Carnahan and seeking to impose monetary penalties against the Company in excess of \$500,000. On February 3, 2020 the Company filed its Petition for Review of the Initial Decision.

## 9) **Third Party Providers**

Please provide the name, address, telephone number and email address of each of the following outside providers:

### Securities Counsel

Name: Jonathan Leinwand, Esq.  
Firm: Jonathan D. Leinwand, P.A.  
Address 1: 18851 NE 29<sup>th</sup> Ave. Suite 1011  
Address 2: Aventura, FL 33180  
Phone: (954) 903-7856  
Email: jonathan@jdlpa.com

### Accountant or Auditor

Name: J.D. Patterson  
Firm: Patterson CPAs, LLC  
Address 1: 722 West Shepard Lane, Suite 101  
Address 2: Farmington, UT 84025  
Phone: 801-451-8886  
Email: john@gapcpas.com

### Investor Relations

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_

Email: \_\_\_\_\_

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Nature of Services: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Nature of Services: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

## 10) Issuer Certification

*Principal Executive Officer:*

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities).

The certifications shall follow the format below:

I, David Lewis certify that:

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

June 15, 2020 [Date]

/s/ David Lewis [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

*Principal Financial Officer:*

I, John O'Shea certify that:

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

June 15, 2020 [Date]

/s/ David Lewis [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

**CYIOS Corporation**

**Unaudited Financial Statements**

**For the Three Months Ended**  
**March 31, 2020**

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**CYIOS CORPORATION**  
**BALANCE SHEET**  
**As of March 31, 2020**

	<b>Three Months Ended March 31, 2020</b>	<b>Twelve Months Ended December 31, 2019</b>
<b>ASSETS</b>	<b>Unaudited</b>	<b>Unaudited</b>
<b>CURRENT ASSETS</b>		
Prepaid expenses	1,250	2,075
<b>TOTAL CURRENT ASSETS</b>	1,250	2,075
<b>TOTAL ASSETS</b>	\$ 1,250	\$ 2,075
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 28,904	\$ -
<b>TOTAL CURRENT LIABILITIES</b>	28,904	-
CONVERTIBLE BOND	236,757	245,919
RELATED ENTITY NOTES PAYABLE	6,332	71,839
RELATED ENTITY CONVERTIBLE NOTE	72,922	-
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, \$.001 par value, 100,000,000 shares authorized, 53,465,193 shares issued and outstanding	53,465	39,943
Preferred stock, \$.001 par value, 10,000,000 shares authorized, 10,000,000 shares issued and outstanding	10,000	10,000
Capital in excess of par value - common stock	24,756,533	24,501,762
Retained deficit	(25,163,663)	(24,867,388)
<b>TOTAL STOCKHOLDERS EQUITY</b>	(343,665)	(315,683)
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	\$ 1,250	\$ 2,075

*These financial statements have not been subject to audit, review or compilation engagement procedures and no assurance is provided on them.*

*See the accompanying notes.*

**CYIOS CORPORATION**  
**STATEMENT OF OPERATIONS**  
**For The Three Months Ended March 31, 2020**

	<b>Three Months Ended March 31, 2020</b>	<b>Three Months Ended March 31, 2019</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>INCOME</b>		
Revenues earned	\$ -	\$ -
Cost of revenues earned	-	-
<b>GROSS PROFIT</b>	-	-
<b>EXPENSES</b>		
General and administrative	293,493	10,972
Depreciation & amortization and amortization	-	-
	293,493	10,972
<b>OPERATING LOSS</b>	(293,493)	(10,972)
<b>OTHER INCOME (EXPENSE)</b>		
Interest expense	(2,782)	(1,616)
	(2,782)	(1,616)
Loss before income taxes	(296,275)	(12,588)
Income tax expense	-	-
<b>NET INCOME</b>	\$ (296,275)	\$ (12,588)

*These financial statements have not been subject to audit, review or compilation engagement procedures and no assurance is provided on them.*

*See the accompanying notes.*

**CYIOS CORPORATION**  
**STATEMENT OF STOCKHOLDERS' EQUITY**  
**For The Three Months Ended March 31, 2020**

	<u>Common Stock</u>		<u>Preferred Stock</u>		<u>Capital in Excess of Par Value</u>	<u>Retained Earnings</u>	<u>Common Stock</u>	<u>Total Stockholders' Equity</u>
	<u>Shares</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Common</u>	<u>Unaudited</u>	<u>Subscribed</u>	<u>Unaudited</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
Balance January 1, 2019	36,311,640	\$ 36,312	10,000,000	\$ 10,000	\$ 24,496,376	\$ (24,782,110)	\$ -	\$ (239,422)
Sale of common stock	3,631,164	3,631			5,386	-	-	9,017
Net income	-	-	-	-	-	(85,278)	-	(85,278)
Balance December 31, 2019	39,942,804	\$ 39,943	10,000,000	\$ 10,000	\$ 24,501,762	\$ (24,867,388)	\$ -	\$ (315,683)
Sale of common stock	9,950,961	9,951	-	-	253,929	-	-	263,880
Stock issue for debt conversion	3,571,428	3,571	-	-	842	-	-	4,413
Net income	-	-	-	-	-	(296,275)	-	(296,275)
Balance March 31, 2020	<u>53,465,193</u>	<u>\$ 53,465</u>	<u>10,000,000</u>	<u>\$ 10,000</u>	<u>\$ 24,756,533</u>	<u>\$ (25,163,663)</u>	<u>\$ -</u>	<u>\$ (343,665)</u>

*These financial statements have not been subject to audit, review or compilation engagement procedures and no assurance is provided on them.*

*See the accompanying notes.*

**CYIOS CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**For The Three Months Ended March 31, 2020**

	<b>Three Months Ended March 31, 2020</b>	<b>Three Months Ended March 31, 2019</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (296,275)	\$ (12,588)
<b>(Increase) decrease in assets:</b>		
Stockholder receivable	-	10,972
Prepaid expenses	825	-
<b>Increase (decrease) in liabilities:</b>		
Accounts payable	28,904	-
Accrued interest income	1,631	1,616
Net cash flows from (used by) operating activities	(264,915)	-
<b>CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES</b>		
Cash from related entity loans	6,333	-
Cash paid to related entity loans	(71,840)	-
Net cash flows from (used by) investing activities	(65,507)	-
<b>CASH FLOWS FROM (USED BY) FINANCING ACTIVITIES</b>		
Cash received from related party convertible loans	72,922	-
Accrued interest on loans	(10,793)	-
Cash received from issuance of common stock	268,293	-
Net cash flows from financing activities	330,422	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	-	-
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	-	-
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	\$ -	\$ -
<b>SUPPLEMENTAL CASH FLOW INFORMATION</b>		
Cash received for interest	\$ -	\$ -

*These financial statements have not been subject to audit, review or compilation engagement procedures and no assurance is provided on them.*

*See the accompanying notes.*

**CYIOS CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2020**  
**Unaudited**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies conform to U.S. generally accepted accounting principles. The following policies are considered to be significant:

*Business Organization*

CYIOS Corporation (the Company) is incorporated in the State of Nevada. The Company was reorganized to engage in the business of providing financing and loan origination services utilizing different forms of collateral. The Company is currently headquartered in Deer Field, Illinois. At this time, the Company continues to develop financial services, but has not yet commenced principle operations.

The Company activities are subject to significant risks and uncertainties, including failing to secure the necessary funding to operationalize it plans to provide loan and financing activities.

*Cash and Cash Equivalents*

Cash equivalents are generally comprised of certain highly liquid investments with original maturities of less than three months.

*Fair Value of Financial Instruments*

Financial instruments, including cash, receivables and other current assets, are carried at amounts that approximate fair value. Accounts payable, lines of credit, loans, notes payable and other liabilities are carried at amounts that approximate fair value.

*Equipment*

Equipment is carried at cost net of accumulated depreciation. Depreciation expense is computed principally on the straight-line method in amounts sufficient to write off the cost of depreciable assets over their estimated useful lives.

Normal maintenance and repair items are charged to costs and expenses as incurred. The cost and accumulated depreciation of property and equipment sold or otherwise retired are removed from the accounts and gain or loss on disposition is reflected in net income in the period of disposition.

*Intangible Assets*

Intangible assets subject to amortization include patents and goodwill. Patents are amortized over the shorter of their legal or useful lives while goodwill is periodically reviewed for impairment.

**CYIOS CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2020**  
**Unaudited**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Company uses an asset and liability approach to financial accounting and reporting for income taxes. The difference between the financial statement and tax basis of assets and liabilities is determined annually. Deferred income tax assets and liabilities are computed for those differences that have future tax consequences using the currently enacted tax laws and rates that apply to the periods in which they are expected to affect taxable income. Valuation allowances are established, if necessary, to reduce the deferred tax asset to the amount that will more likely than not be realized. Income tax expense is the current tax payable or refundable for the period, plus or minus the net change in the deferred tax assets and liabilities.

The Company's income tax returns are subject to examination by the appropriate tax jurisdictions. As of March 31, 2020, the Company needs to file federal and state tax returns for the years ended 2013 through 2019. Upon filing, those returns would subject to review by federal and state tax authorities for three years.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. In these financial statements assets, liabilities, and earnings involve reliance on management's estimates. Actual results could differ from those estimates.

Advertising and Promotion

All costs associated with advertising and promoting the Company's goods and services are expensed in the year incurred. The Company incurred advertising expenses of \$376 during the three months ended March 31, 2020.

Sales and Use Taxes

The Company is domiciled in the State of Nevada with its headquarters in Deerfield, Illinois and is required to collect sales tax on all in-state transactions. During the months ended March 31, 2020 the Company collected and remitted no sales and use tax.

Management Review Date

In preparing these revised financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through May 27, 2020 the date the revised financial statements were issued.

**CYIOS CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2020**  
**Unaudited**

**NOTE 2 - CONVERTIBLE LOAN**

During January of 2016, the Company entered into a \$225,000 Convertible Loan Agreement with Azure Associates in exchange for non-assessable shares of the Company's Common Stock based upon a conversion price of \$.0003 per share with interest accruing at 0%. To comply with U.S. Generally Accepted Accounting Principles, (US GAAP), Company has applied an interest rate of 2.65% based upon the long-term federal funds rate when the convertible bond was issued. As of August 31, 2019, the Company agreed to restructure the convertible debt from a conversion price of \$.0003 per share to \$.001 per share. During the quarter ended March 31, 2020, the Company converted \$9,125 of this debt leaving a balance due of \$236,757 (see note 4 for additional information).

**NOTE 3 - RELATED ENTITY NOTE PAYABLE AND CONVERATBLE NOTE PAYABLE**

The Company entered into a loan agreement with OFBP Proprietary Limited (OFBP Pty Ltd) in the fourth quarter of 2018, for up to \$250,000 to pay for operational expenses. As of December 31, 2019, the balance under this loan was \$71,839. Interest accrues at 15% per annum on the outstanding balance. On January 2nd 2020, in exchange of this loan, the Company issued a one-year Convertible Promissory Note to OFBP Pty, Ltd in the amount of \$71,839 for payments made by the investor on behalf of the Company to various third-party vendors, at the direction of the Company, during 2019. General terms of the Note are 6% annual interest and conversion terms of 25% discount into common shares. As of March 31, 2020, the balance of the Convertible Note Payable was \$72,922, including interest.

Beginning January 2, 2020, any new funds provided by OFBP will be a loan payable at 8% annual interest. During the period ending March 31, 2020, \$6,264 in payments made by the investor on behalf of the Company to various third-party vendors, at the direction of the Company. The Company plans to close out the agreement with OFBP during the 2<sup>nd</sup> quarter of 2020. As of March 31, 2020, the balance of the note payable was \$6,332, including interest.

**NOTE 4 - COMMON STOCK ACTIVITY**

The Company is authorized to issue 100,000,000 shares of common stock at \$.001 per share. The number of issued and outstanding shares were 54,465,193 for the three months ended March 31, 2020.

On January 10, 2020 the Company signed an agreement with Cicero Transact, an exclusive online network of members from around the world who are dedicated to forging strategic business alliances. The material terms of the agreement are that the Company will receive 2,500,000 records over next 6 months in exchange for 3,571,428 shares of common stock at \$0.07 per share.

During the quarter ended March 31, 2020, the company has issued 9,950,961 shares in connection with the Convertible Loan Agreement originally with Azure Associates, currently assigned to JRICKS LLC, for the conversion of \$9,125 on the note payable and accrued interest (see note 2 for additional details).

**CYIOS CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2020**  
**Unaudited**

NOTE 5 - PREFERRED STOCK

As of March 31, 2019, the Company is authorized the issue of up to 10,000,000 of .001 par value preferred stock. The preferred stock carries a voting right of 20 votes per share and each share is convertible to 20 shares of common stock. As of March 31, 2020, the Company had previously issued 10,000,000 shares of preferred stock.

NOTE 6 - STOCK-BASED NONEMPLOYEE COMPENSATION

On October 14, 2019, the Company entered into an agreement with a consultant to ensure compliance with legal obligations concerning OTC markets and related filings. The yearlong \$30,000 agreement, after an initial \$2,500 cash payment, will pay the \$27,500 balance in the Company's common shares calculated at \$0.05 per share. In the event the Company's shares is less than 5 cents per share, the price will be adjusted to a price per share equity to a 25% discount to the lowest closing price for the stock during the preceding 30 days.

NOTE 7 - INCOME TAXES

The components of income tax expense (benefit) attributable to continuing operations are as follows:

	<b>2019</b>
	<b>Unaudited</b>
Total deferred tax asset	\$ 5,221,369
Valuation allowance	5,202,371
Net deferred tax asset	\$ -

The Company's income tax expense can differ from the statutory federal rate due primarily to state income taxes and surtax exemptions. Current, the federal tax rate is 21% with a like valuation allowance. As of each reporting date, management considers new evidence, both positive and negative, that could affect its view of the future realization of deferred tax assets. As of May 25, 2020, there remains insufficient positive evidence to conclude that it is more likely than not that any deferred taxes are realizable; therefore, the valuation allowance brings the net deferred tax asset to \$0 for the most recent year ended December 31, 2019. At such time as there is positive evidence, the valuation will be adjusted accordingly.

The deferred tax asset is based upon an estimated Net Operating Loss (NOL) carryforward of \$24,837,000. An NOL incurred before January 1, 2018 expires after 20 years while an NOL incurred after that date is indefinite. As of December 31, 2019, the Company is unable to determine the exact NOL due to the need to determine and to file past-due federal and state tax income tax returns. The Company's current management team is working to acquire past returns in order to determine the starting point for those needed filings. See Note 1 for additional details.

**CYIOS CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2020**  
**Unaudited**

**NOTE 8 - UNITED STATES TAX LAW CHANGE**

On December 22, 2017, President Trump signed into law the statute originally named the “Tax Cuts and Jobs Act” (the “2017 Tax Act”) which enacts a broad range of changes to the Code. The 2017 Tax Act, among other things, includes changes to U.S. federal tax rates, imposes significant additional limitations on the deductibility of interest and net operating losses, allows for the expensing of certain capital expenditures, and puts into effect a number of changes impacting operations outside of the United States including, but not limited to, the imposition of a one-time tax on accumulated post-1986 deferred foreign income that has not previously been subject to tax, and modifications to the treatment of certain intercompany transactions

**NOTE 9 - GOING CONCERN**

As reflected in the accompanying unaudited financial statements, the Company is in the development stage has a working capital deficiency and a retained deficit of (\$25,139,083). The Company’s ability to continue as a going concern is dependent on its ability to raise additional capital and implement its business plan. The financial statements do not include any adjustments that might be necessary if the business plans provide the opportunity for the Company to continue as a going concern.

**NOTE 10 - SETTLEMENT WITH FORMER CEO**

On March 16, 2020, the Company settled certain claims alleged by its former CEO Timothy Carnahan. As part of settlement, Mr. Carnahan provided written notification to the State of Nevada, the company’s Transfer Agent and all relevant governing agencies including the US Securities and Exchange Commission that recent statements and actions undertaken by Mr. Carnahan have been withdrawn. Additionally, Mr. Carnahan agreed to cancel 15,226,294 shares of restricted common stock which had been issued to him when he was CEO.

**NOTE 11 - SUBSEQUENT EVENTS**

As of May 27, 2020, the Company issued an additional 11,140,000 shares as part of the \$225,000 Convertible Note Payable with Azure. See note 2 for additional details.

On May 7, 2020 CYIOS Corp completed the acquisition of privately held Choice Wellness, Inc. (CW). Terms of the transaction were CYIOS acquired 100% of CW in exchange for 20,000 shares of a newly issued class of preferred stock that convert into 20% of CYIOS.

Additionally on May 7, 2020, David Green resigned as CEO and was replaced by David Lewis. Mr. Green remains on the Board of Directors along with Mr. Lewis who was also appointed as a member of the board. Finally, John O’Shea was appointed as the Chairman of the Board.

**CYIOS CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**March 31, 2020**  
**Unaudited**

NOTE 11 - SUBSEQUENT EVENTS - CONTINUED

On May 7, 2020, the Board of Directors approved professional fees of \$6,500 per month to two related party entities for services rendered beginning February 1, 2020 and ending May 7, 2020. As of March 31, 2020, those fees totaled \$26,000.

# Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

## CYIOS Corporation

18851 NE 29<sup>th</sup> Ave. Suite 1011  
Aventura, FL 33180

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www.cyioscorporation.com  
info@cyioscorporation.com  
SIC 7389

**Annual Report**  
**For the Period Ending: 12/31/2019**  
**(the "Reporting Period")**

As of April 14, 2020, the number of shares outstanding of our Common Stock was:

53,465,193

As of September 30, 2019, the number of shares outstanding of our Common Stock was:

36,311,640

As of December 31, 2018, the number of shares outstanding of our Common Stock was:

36,311,640

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes:  No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes:  No:

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes:  No:

---

<sup>1</sup> "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

## 1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities and the dates of the name changes.

Formerly=China Printing, Inc. until 11-05

Formerly=WorldTeq Group International, Inc. until 4-05

Formerly=A1 Internet.com, Inc. until 12-01

Formerly=Halo Holdings of Nevada, Inc. until 5-99

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable)  
Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

CYIOS was incorporated under the laws of the state of Nevada on October 13, 1997 as Halo Holdings of Nevada, Inc.  
The Company is "active" with the state of Nevada

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes:  No:

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

N/A

## 2) Security Information

Trading symbol: CYIO  
Exact title and class of securities outstanding: Common  
CUSIP: 23256Y108  
Par or stated value: \$.001

Total shares authorized: 100,000,000 as of date: 12/31/2019  
Total shares outstanding: 36,311,640 as of date: 12/31/2019  
Number of shares in the Public Float<sup>2</sup>: 15,562,205 as of date: 12/31/2019  
Total number of shareholders of record: 106 as of date: 12/31/2019

*All additional class(es) of publicly traded securities (if any):*

None.

### Transfer Agent

Name: Corporate Stock Transfer  
Phone: 303-282-4800  
Email: [knaughton@corporatetock.com](mailto:knaughton@corporatetock.com)

Is the Transfer Agent registered under the Exchange Act?<sup>3</sup> Yes:  No:

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors: None.

<sup>2</sup> "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

<sup>3</sup> To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

### 3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities in the past two completed fiscal years and any subsequent interim period.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

#### A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods:

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u>			*Right-click the rows below and select "Insert" to add rows as needed.						
Date <u>01/01/2018</u>	Common: 36,311,640 Preferred: <u>10,000,000</u>								
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____	_____	_____
Shares Outstanding on Date of This Report: <u>Ending Balance</u>									
Date <u>12/31/2019</u>	Common: <u>36,311,640</u> Preferred: <u>10,000,000</u>								
Ending Balance: _____									

**Example:** A company with a fiscal year end of December 31<sup>st</sup>, in addressing this item for its quarter ended September 30, 2019, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2017 through September 30, 2019 pursuant to the tabular format above.

Use the space below to provide any additional details, including footnotes to the table above:

\_\_\_\_\_

## B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe all outstanding promissory notes, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities.

Check this box if there are no outstanding promissory, convertible notes or debt arrangements:

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
<u>01/10/2016</u>	<u>225,000</u>	<u>225,000</u>	<u>0</u>	<u>01/17/2017</u>	<u>\$.001 per share</u>	<u>J-Ricks LLC</u> <u>Christopher Balmford</u>	<u>Loan</u>
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____	_____

Use the space below to provide any additional details, including footnotes to the table above:

\_\_\_\_\_

## 4) Financial Statements

A. The following financial statements were prepared in accordance with:

- U.S. GAAP  
 IFRS

B. The financial statements for this reporting period were prepared by (name of individual)<sup>4</sup>:

Name: John Patterson  
Title: Accountant  
Relationship to Issuer: Service Provider

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance sheet;  
D. Statement of income;  
E. Statement of cash flows;  
F. Statement of Changes in Shareholders' Equity  
G. Financial notes; and  
H. Audit letter, if audited

<sup>4</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

**The unaudited financial statements of the Company for the year ended December 31, 2019 are attached hereto.**

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

**5) Issuer's Business, Products and Services**

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

- A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

CYIOS Corporation is a strategic advisory company focused on the future of FinTech, Health Services, Medical Services, Cryptocurrency, Blockchain and AI (Artificial Intelligence). The team has in-depth knowledge of the financial services industry, medical and health services, and blockchain.

- B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of such entity's business, contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

None

- C. Describe the issuers' principal products or services, and their markets

Providing strategic advisory services to companies in FinTech, Health Services, Medical Services, Cryptocurrency, Blockchain and AI (Artificial Intelligence)

**6) Issuer's Facilities**

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

None

**7) Officers, Directors, and Control Persons**

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, regardless of the number of shares they own. **If any listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information of an individual representing the corporation or entity in the note section.**

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>David W. Greene</u>	<u>CEO/Director</u>	<u>Melbourne, Australia</u>	<u>10,000</u>	<u>Series B Preferred</u>	<u>100%</u>	Mr. Greene originally acquired 10,000,000 Series A Preferred Shares. Those shares were canceled in March 2020 and replaced with the Series B Preferred at that time
<u>Timothy Carnahan</u>	<u>5% Holder</u>	<u>Miami, FL</u>	<u>5,000,000</u>	<u>Common</u>	<u>13.7%</u>	Mr. Carnahan agreed to cancel 15,226,235 shares on March 13, 2020, leaving him with 5,000,000 common shares

## 8) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

- B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

In the Matter of Traci J. Anderson, CPA, Timothy W. Carnahan, and CYIOS Corporation (File No. 3-16386). On February 3, 2020 the Company filed its Petition for Review of the Initial Decision in this matter. The Petition is pending, and the Company intends to vigorously pursue the Petition and any additional appeals, if necessary

On February 13, 2015, the Securities and Exchange Commission entered an "Order Instituting Administrative And Cease- And-Desist Proceedings" The SEC alleged that the Company, its then CEO Timothy Carnahan and its accountant Traci J. Anderson violated certain provisions of the Sarbanes-Oxley Act of 2002, the Securities Exchange Act of 1934 and certain rules promulgated thereunder including the failure to properly assess the Company's internal controls. Ms. Anderson was dismissed from the action on December 21, 2015.

On June 21, 2018, "[i]n light of the Supreme Court's decision in Lucia v. SEC," 138 S. Ct. 2044 (2018), the Commission stayed all pending administrative proceedings, including this one; the stay was operative through August 22, 2018. On August 22, 2018, the Commission ended the stay and ordered a new hearing in each affected proceeding before an administrative law judge who had not previously participated in the proceeding.

On January 10, 2020 the Administrative Law Judge entered an initial decision seeking a cease and desist against the Company and Carnahan and seeking to impose monetary penalties against the Company in excess of \$500,000. On February 3, 2020 the Company filed its Petition for Review of the Initial Decision.

## 9) **Third Party Providers**

Please provide the name, address, telephone number and email address of each of the following outside providers:

### Securities Counsel

Name: Jonathan Leinwand, Esq.  
Firm: Jonathan D. Leinwand, P.A.  
Address 1: 18851 NE 29<sup>th</sup> Ave. Suite 1011  
Address 2: Aventura, FL 33180  
Phone: (954) 903-7856  
Email: jonathan@jdlpa.com

### Accountant or Auditor

Name: J.D. Patterson  
Firm: Patterson CPAs, LLC  
Address 1: 722 West Shepard Lane, Suite 101  
Address 2: Farmington, UT 84025  
Phone: 801-451-8886  
Email: john@gapcpas.com

### Investor Relations

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Nature of Services: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Nature of Services: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

## 10) Issuer Certification

*Principal Executive Officer:*

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities).

The certifications shall follow the format below:

I, David W. Greene certify that:

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

April 14, 2020 [Date]

/s/ David W. Greene [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

*Principal Financial Officer:*

I, David W. Greene certify that:

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

April 14, 2020 [Date]

/s/ David W. Greene [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

**CYIOS Corporation**

**Unaudited Financial Statements  
For the Years Ended  
December 31, 2019 & 2018**

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**CYIOS CORPORATION**  
**BALANCE SHEETS**  
**As of December 31, 2019 & 2018**

<b>ASSETS</b>	<b>2019</b>	<b>2018</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>CURRENT ASSETS</b>		
Receivables:		
Stockholder receivable	\$ -	\$ 10,972
Net receivables	-	10,972
Prepaid expenses	825	-
<b>TOTAL CURRENT ASSETS</b>	<b>825</b>	<b>10,972</b>
<b>TOTAL ASSETS</b>	<b>\$ 825</b>	<b>\$ 10,972</b>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ -	\$ 3,624
<b>TOTAL CURRENT LIABILITIES</b>	<b>-</b>	<b>3,624</b>
CONVERTIBLE BOND	249,938	243,430
RELATED PARTY NOTES PAYABLE	71,840	3,341
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, \$.001 par value, 100,000,000 shares authorized, 39,942,804 shares issued and outstanding	39,943	36,312
Preferred stock, \$.001 par value, 10,000,000 shares authorized, 10,000,000 shares issued and outstanding	10,000	10,000
Capital in excess of par value - common stock	24,496,376	24,496,376
Retained deficit	(24,867,272)	(24,782,111)
<b>TOTAL STOCKHOLDERS EQUITY</b>	<b>(320,953)</b>	<b>(239,423)</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b>\$ 825</b>	<b>\$ 10,972</b>

**CYIOS CORPORATION**  
**STATEMENT OF OPERATIONS**  
**For Years Ended December 31, 2019 & 2018**

	<b>2019</b>	<b>2018</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>INCOME</b>		
Revenues earned	\$ -	\$ -
Cost of revenues earned	-	-
<b>GROSS PROFIT</b>	-	-
<b>EXPENSES</b>		
General and administrative	76,684	1,700
Depreciation & amortization and amortization	-	-
<b>OPERATING LOSS</b>	(76,684)	(1,700)
<b>OTHER INCOME (EXPENSE)</b>		
Interest expense	(14,190)	(7,514)
Other income	5,713	-
<b>Loss before income taxes</b>	(85,161)	(8,918)
Income tax expense	-	-
<b>NET INCOME</b>	\$ (85,161)	\$ (8,918)

**CYIOS CORP**  
**STATEMENTS OF STOCK**  
**For the Years Ended December 31,**

	<b>Common Stock</b>		<b>Preferred Stock</b>
	<b>Shares</b>	<b>Amount</b>	<b>Shares</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
Balance January 1, 2018	36,311,640	\$ 36,312	10,000
Net income	-	-	
Balance December 31, 2018	36,311,640	\$ 36,312	10,000
Sale of common stock	3,631,164	3,631	
Net income	-	-	
Balance December 31, 2019	39,942,804	\$ 39,943	10,000

**CYIOS CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**For the Years Ended December 31, 2019 & 2018**

	<b>2019</b>	<b>2018</b>
CASH FLOWS FROM OPERATING ACTIVITIES	<b>Unaudited</b>	<b>Unaudited</b>
Net loss	\$ (85,161)	\$ (8,918)
(Increase) decrease in assets:		
Prepaid expenses	(825)	-
Increase (decrease) in liabilities:		
Accounts payable	(3,624)	(486)
Net cash used by operating activities	(78,638)	(9,404)
<b>CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES</b>		
Cash from related entity loans	68,499	3,341
Net cash flows from investing activities	68,499	3,341
<b>CASH FLOWS FROM (USED BY) FINANCING ACTIVITIES</b>		
Cash paid for stockholder loans	-	(296)
Accrued interest on loans	6,508	6,359
Net cash flows from financing activities	6,508	6,063
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(3,631)	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	-	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ (3,631)	\$ -

**CYIOS CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019 & 2018**  
**Unaudited**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies conform to U.S. generally accepted accounting principles. The following policies are considered to be significant:

*Business Organization*

CYIOS Corporation (the Company) is incorporated in the State of Nevada. The Company was reorganized to engage in the business of providing financing and loan origination services utilizing different forms of collateral. The Company is currently headquartered in Deer Field, Illinois. At this time, the Company continues to develop financial services, but has not yet commenced principle operations.

The Company activities are subject to significant risks and uncertainties, including failing to secure the necessary funding to operationalize it plans to provide loan and financing activities.

*Cash and Cash Equivalents*

Cash equivalents are generally comprised of certain highly liquid investments with original maturities of less than three months.

*Fair Value of Financial Instruments*

Financial instruments, including cash, receivables and other current assets, are carried at amounts that approximate fair value. Accounts payable, lines of credit, loans, notes payable and other liabilities are carried at amounts that approximate fair value.

*Equipment*

Equipment is carried at cost net of accumulated depreciation. Depreciation expense is computed principally on the straight-line method in amounts sufficient to write off the cost of depreciable assets over their estimated useful lives.

Normal maintenance and repair items are charged to costs and expenses as incurred. The cost and accumulated depreciation of property and equipment sold or otherwise retired are removed from the accounts and gain or loss on disposition is reflected in net income in the period of disposition.

*Intangible Assets*

Intangible assets subject to amortization include patents and goodwill. Patents are amortized over the shorter of their legal or useful lives while goodwill is periodically reviewed for impairment.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

*Income Taxes*

The Company uses an asset and liability approach to financial accounting and reporting for income taxes. The difference between the financial statement and tax basis of assets and

**CYIOS CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019 & 2018**  
**Unaudited**

liabilities is determined annually. Deferred income tax assets and liabilities are computed for those differences that have future tax consequences using the currently enacted tax laws and rates that apply to the periods in which they are expected to affect taxable income. Valuation allowances are established, if necessary, to reduce the deferred tax asset to the amount that will more likely than not be realized. Income tax expense is the current tax payable or refundable for the period, plus or minus the net change in the deferred tax assets and liabilities.

The Company's income tax returns are subject to examination by the appropriate tax jurisdictions. As of December 31, 2019, the Company needs to file federal and state tax returns for the years ended 2013 through 2018. Upon filing, those returns would subject to review by federal and state tax authorities for three years.

*Use of Estimates in the Preparation of Financial Statements*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. In these financial statements assets, liabilities, and earnings involve reliance on management's estimates. Actual results could differ from those estimates.

*Advertising and Promotion*

All costs associated with advertising and promoting the Company's goods and services are expensed in the year incurred. The Company incurred no advertising expenses during the years ended December 31, 2019 & 2018.

*Sales and Use Taxes*

The Company is domiciled in the State of Nevada with its headquarters in Deerfield, Illinois and is required to collect sales tax on all in-state transactions. During the years ended December 31, 2019 & 2018 the Company collected and remitted no sales and use tax.

*Management Review Date*

In preparing these financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through April 10, 2020 the date the financial statements were issued.

NOTE 2- SHAREHOLDER NOTE RECEIVABLE

During 2015, the Company issued 9,970,287 share of preferred stock at par value (\$.001) to secure the continued service of the Chief Executive Officer and Chairman of the Board in exchange for a note receivable. The original note of \$9,970, including accrued interest inputted at 2.74%, was \$0 and \$10,676 as of December 31, 2019 and 2018, respectively. The note was expensed as income to the CEO during 2019.

NOTE 3 - CONVERTIBLE LOAN

During January of 2016, the Company entered into a \$225,000 Convertible Loan Agreement with Azure Associates in exchange for non-assessable shares of the Company's Common Stock

**CYIOS CORPORATION**  
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based upon a conversion price of \$.001 per share with interest accruing at 2.65%. As of August 31, 2019, the Company agreed to restructure the convertible debt from a conversion price of \$.0003 per share to \$.001 per share.

NOTE 4 - RELATED ENTITY PAYABLE

The Company has entered into a loan with OFBP Proprietary Limited (OFBP Pty Ltd) for up to \$250,000 to be used for operational expenses. Interest accrues at 15% per annum on the outstanding balance. As of December 31, 2019, & 2018 the outstanding balance was \$71,840 and \$3,341, respectively.

NOTE 5 - COMMON STOCK ACTIVITY

The Company is authorized to issue 10,000,000 shares of common stock at \$.001 per share. The number of issued and outstanding shares were 39,941.804 and 36,311,640 for the years ended December 31, 2019 and 2018, respectively.

NOTE 6 - PREFERRED STOCK

As of December 31, 2019, the Company is authorized the issue of up to 10,000,000 of .001 par value preferred stock. The preferred stock carries a voting right of 20 votes per share and each share is convertible to 20 shares of common stock. As of December 31, 2019, and 2018, 10,000,000 shares of preferred stock were issued.

NOTE 7 - INCOME TAXES

The components of income tax expense (benefit) attributable to continuing operations are as follows:

	<b>2018</b>	<b>2017</b>
	<b>Unaudited</b>	<b>Unaudited</b>
Total deferred tax asset	\$ 5,202,371	\$ 5,152,734
Valuation allowance	5,202,371	(5,152,734)
Net deferred tax asset	\$ -	\$ -

The Company's income tax expense can differ from the statutory federal rate due primarily to state income taxes and surtax exemptions. Current, the federal tax rate is 21% with a like valuation allowance. As of each reporting date, management considers new evidence, both positive and negative, that could affect its view of the future realization of deferred tax assets. April 10, 2020, there remains insufficient positive evidence to conclude that it is more likely than not that any deferred taxes are realizable; therefore, the valuation allowance brings the net deferred tax asset to \$0 for the years ended December 31, 2019 & 2018. At such time as there is positive evidence, the valuation will be adjusted accordingly.

The deferred tax asset is based upon an estimated Net Operating Loss (NOL) carryforward of \$24,863,000. An NOL incurred before January 1, 2018 expires after 20 years while an NOL incurred after that date is indefinite. As of December 31, 2019, the Company is unable to determine the exact NOL due to the need to determine and to file past-due federal and state tax income tax returns. The Company's current management team is working to acquire past

**CYIOS CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2019 & 2018**  
**Unaudited**

returns in order to determine the starting point for those needed filings. See Note 1 for additional details.

**NOTE 8 - UNITED STATES TAX LAW CHANGE**

On December 22, 2017, President Trump signed into law the statute originally named the “Tax Cuts and Jobs Act” (the “2017 Tax Act”) which enacts a broad range of changes to the Code. The 2017 Tax Act, among other things, includes changes to U.S. federal tax rates, imposes significant additional limitations on the deductibility of interest and net operating losses, allows for the expensing of certain capital expenditures, and puts into effect a number of changes impacting operations outside of the United States including, but not limited to, the imposition of a one-time tax on accumulated post-1986 deferred foreign income that has not previously been subject to tax, and modifications to the treatment of certain intercompany transactions

**NOTE 9 - GOING CONCERN**

As reflected in the accompanying unaudited financial statements, the Company is in the development stage has a working capital deficiency and a retained deficit of (\$24,496,376). The Company’s ability to continue as a going concern is dependent on its ability to raise additional capital and implement its business plan. The financial statements do not include any adjustments that might be necessary if the business plans provide the opportunity for the Company to continue as a going concern.

**NOTE 10 - SUBSEQUENT EVENTS**

On January 2, 2020, the Company issued a one-year Convertible Promissory Note to OFBP Pty, Ltd in the amount of \$71,839 for payments made by the investor on behalf of the Company to various third-party vendors, at the direction of the Company, from between July 1, 2019 through December 31, 2019. General terms of the Note are 6% annual interest and conversion terms of 25% discount.

On January 10, 2020 the Company signed an agreement with Cicero Transact, an exclusive online network of members from around the world who are dedicated to forging strategic business alliances. The material terms of the agreement are that the Company will receive a total of 2,500,000 records over next 6 months in exchange for 3,571,428 shares of common stock at \$0.07 per share.

On March 16, 2020, the Company settled certain claims alleged by its former CEO Timothy Carnahan. As part of settlement, Mr. Carnahan provided written notification to the State of Nevada, the company’s Transfer Agent and all relevant governing agencies including the US Securities and Exchange Commission that recent statements and actions undertaken by Mr. Carnahan have been withdrawn. Additionally, Mr. Carnahan agreed to cancel 15,226,294 shares of restricted common stock which had been issued to him when he was CEO.

# Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

## CYIOS Corporation

258 South Military Trail  
Deerfield Beach, FL 33442

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888-285-1351  
www.cyioscorporation.com  
info@choicewellnessbrands.com  
SIC 7389

**Annual Report**  
**For the Period Ending: 12/31/2020**  
(the "Reporting Period")

As of December 31, 2020, the number of shares outstanding of our Common Stock was:

91,995,193

As of September 30, 2020, the number of shares outstanding of our Common Stock was:

85,705,193

As of December 31, 2019, the number of shares outstanding of our Common Stock was:

36,311,640

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes:  No:

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes:  No:

Indicate by check mark whether a Change in Control<sup>1</sup> of the company has occurred over this reporting period:

Yes:  No:

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<sup>1</sup> "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

**1) Name and address(es) of the issuer and its predecessors (if any)**

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

CYIOS Corp.

Formerly=China Printing, Inc. until 11-05

Formerly=WorldTeg Group International, Inc. until 4-05

Formerly=A1 Internet.com, Inc. until 12-01

Formerly=Halo Holdings of Nevada, Inc. until 5-99

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

CYIOS was incorporated under the laws of the state of Nevada on October 13, 1997 as Halo Holdings of Nevada, Inc. The Company is "active" with the state of Nevada

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

None

The address(es) of the issuer's principal executive office:

258 South Military Trail  
Deerfield Beach, FL 33442

The address(es) of the issuer's principal place of business:

*Check box if principal executive office and principal place of business are the same address:*

\_\_\_\_\_

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes:  No:

If this issuer or any of its predecessors have been the subject of such proceedings, please provide additional details in the space below:

N/A

## 2) Security Information

Trading symbol: CYIO  
Exact title and class of securities outstanding: Common  
CUSIP: 23256Y108  
Par or stated value: \$.001

Total shares authorized: 100,000,000 as of date: December 31, 2020  
Total shares outstanding: 91,995,193 as of date: December 31, 2020  
Number of shares in the Public Float<sup>2</sup>: 41,051,931 as of date: December 31, 2020  
Total number of shareholders of record: 108 as of date: December 31, 2020

All additional class(es) of publicly traded securities (if any): *N/A*

Trading symbol: \_\_\_\_\_  
Exact title and class of securities outstanding: \_\_\_\_\_  
CUSIP: \_\_\_\_\_  
Par or stated value: \_\_\_\_\_  
Total shares authorized: \_\_\_\_\_ as of date: \_\_\_\_\_  
Total shares outstanding: \_\_\_\_\_ as of date: \_\_\_\_\_

### Transfer Agent

Name: Equiniti (formerly Corporate Stock Transfer)  
Phone: 303-282-4800  
Email: toula.akladios@equiniti.com  
Address: 3200 Cherry Creek South Drive, Suite 430, Denver, CO 80209

Is the Transfer Agent registered under the Exchange Act?<sup>3</sup> Yes:  No:

## 3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

### **A. Changes to the Number of Outstanding Shares**

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods:

<sup>2</sup> "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

<sup>3</sup> To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

Shares Outstanding as of Second Most Recent Fiscal Year End:  
Opening Balance  
 Date 01/01/2018 Common: 36,311,640  
 Preferred: 10,000,000

\*Right-click the rows below and select "Insert" to add rows as needed.

Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
1/7/20	<u>New</u>	3,631,164	<u>Common</u>	<u>.001</u>	<u>Yes</u>	J-RICKS LLC <u>Christopher Balmford</u>	<u>Debt Conversion</u>	<u>Unrestricted</u>	<u>4(a)(1)</u>
1/14/20	<u>New</u>	3,571,428	<u>Common</u>	<u>.07</u>	<u>No</u>	CICERO TRANSPORT GROUP INC. <u>Michael Woloshin</u>	<u>Goods and Services Agreement</u>	<u>Restricted</u>	<u>4(a)(2)</u>
1/15/20	<u>New</u>	1,100,000	<u>Common</u>	<u>.001</u>	<u>Yes</u>	J-RICKS LLC <u>Christopher Balmford</u>	<u>Debt Conversion</u>	<u>Unrestricted</u>	<u>4(a)(1)</u>
3/13/20	<u>Cancellation</u>	-10,000,000	<u>Series A Preferred</u>		<u>N/A</u>	Timothy Camahan	<u>Separation Agreement</u>	<u>N/A</u>	<u>N/A</u>
3/19/20	<u>New</u>	4,400,000	<u>Common</u>	<u>.001</u>	<u>Yes</u>	J-RICKS LLC <u>Christopher Balmford</u>	<u>Debt Conversion</u>	<u>Unrestricted</u>	<u>4(a)(1)</u>
3/25/20	<u>New</u>	4,450,961	<u>Common</u>	<u>.001</u>	<u>Yes</u>	J-RICKS LLC <u>Christopher Balmford</u>	<u>Debt Conversion</u>	<u>Unrestricted</u>	<u>4(a)(1)</u>
4/20/2020	<u>New</u>	5,340,000	<u>Common</u>	<u>.001</u>	<u>Yes</u>	J-RICKS LLC <u>Christopher Balmford</u>	<u>Debt Conversion</u>	<u>Unrestricted</u>	<u>4(a)(1)</u>
5/6/2020	<u>New</u>	20,000	<u>Series D Preferred</u>	<u>N/A</u>	<u>N/A</u>	Choice Wellness LLC  David Lewis/Benn Wilcox	<u>Acquisition Consideration</u>	<u>Restricted</u>	<u>4(a)(2)</u>
5/7/2020	<u>New</u>	10,000	<u>Series B Preferred</u>	<u>N/A</u>	<u>N/A</u>	John O'Shea	<u>Services</u>	<u>Restricted</u>	<u>4(a)(2)</u>
5/7/2020	<u>New</u>	15,000	<u>Series C Preferred</u>	<u>N/A</u>	<u>N/A</u>	John O'Shea	<u>Services</u>	<u>Restricted</u>	<u>4(a)(2)</u>



Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (entities must have individual with voting / investment control disclosed).	Reason for Issuance (e.g. Loan, Services, etc.)
<u>01/10/2016</u>	<u>225,000</u>	<u>225,000</u>	<u>0</u>	<u>01/17/2017</u>	<u>\$.001 per share</u>	<u>J-Ricks LLC</u> <u>Christopher Balmford</u>	<u>Loan</u>
<u>1/2/2020</u>	<u>72,922</u>	<u>71,839</u>	<u>1,083</u>	<u>Demand</u>	<u>25% discount to market price at time of conversion</u>	<u>OFBP Proprietary Limited</u> <u>John O'Shea</u>	<u>Loan</u>
<u>1/2/2020</u>	<u>6,332</u>	<u>6,264</u>	<u>78</u>	<u>Demand</u>	<u>N/A</u>	<u>OFBP Proprietary Limited</u> <u>John O'Shea</u>	<u>Loan</u>
<u>5/18/20</u>	<u>21,069</u>	<u>20,000</u>	<u>1069</u>	<u>5/18/21</u>	<u>55% multiplied by the Market Price (representing a discount rate of 45%) with a "Floor Price" of .001c which means no conversions can be priced below Floor Price. "Market Price" means the average of the lowest three (3) Closing Prices (as defined below) for the Common Stock during the ten (10) Trading Day period ending one Trading Day prior to the date the Conversion Notice is sent by the Holder</u>	<u>BB Winks LLC</u> <u>Craig Fischer</u>	<u>Loan</u>
<u>6/15/20</u>	<u>20,872</u>	<u>20,000</u>	<u>872</u>	<u>6/15/21</u>	<u>Fifty Percent (50%) of the lowest Trading Price (defined below) during the twenty (20) Trading Day period ending on the latest complete Trading Day prior to the Conversion Date.</u>	<u>GPL Ventures LLC</u> <u>Alex Dillion</u>	<u>Loan</u>
<u>10/14/20</u>	<u>\$20,342</u>	<u>\$20,000</u>	<u>342</u>	<u>10/14/21</u>	<u>80% of the average of the three lowest intraday trading prices during the ten (10) Trading Day period ending on the latest complete Trading Day prior to the Conversion Date.</u>	<u>GPL Ventures LLC</u> <u>Alex Dillion</u>	<u>Loan</u>
<u>12/7/20</u>	<u>\$60,000</u>	<u>\$60,000</u>	<u>0</u>	<u>12/7/21</u>	<u>Convertible at \$.012 per share</u>	<u>BB Winks LLC</u> <u>Craig Fischer</u>	<u>Loan</u>

Use the space below to provide any additional details, including footnotes to the table above:

\_\_\_\_\_

#### 4) Financial Statements

A. The following financial statements were prepared in accordance with:

U.S. GAAP

IFRS

B. The financial statements for this reporting period were prepared by (name of individual)<sup>4</sup>:

Name: John Patterson  
Title: Accountant  
Relationship to Issuer: Service Provider

Provide the financial statements described below for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- C. Balance sheet;
- D. Statement of income;
- E. Statement of cash flows;
- F. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- G. Financial notes; and
- H. Audit letter, if audited

You may either (i) attach/append the financial statements to this disclosure statement or (ii) file the financial statements through OTCIQ as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial statements in a separate report as described above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to OTCIQ in the field below. Financial Statements must be compiled in one document.

**The unaudited financial statements for the year ended December 31, 2020 are attached hereto**

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

**5) Issuer's Business, Products and Services**

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

CYIOS Corporation (the Company) is incorporated in the State of Nevada. The Company focuses on developing and marketing specialty branded products in the Health and Wellness markets. The Company is currently headquartered in Florida. At this time, the Company is revenue producing and is selling product under its own private label and other branded products in the Health and Wellness market segment. On May 7, 2020, the Company acquired Choice Wellness Inc, a health and wellness company that has developed a specialty brand of CBD products and sanitizers.

B. Please list any subsidiaries, parents, or affiliated companies.

---

<sup>4</sup> The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

Choice Wellness Inc., a Wyoming corporation, wholly owned subsidiary (as of May 7, 2020)

C. Describe the issuers' principal products or services.

CYIOS Corporation is focused on developing and marketing specialty branded products in the Health and Wellness markets, including the "DR's CHOICE" and "24" brand of products. The team has in-depth knowledge of the health and wellness markets, financial services industry, medical and health services, and blockchain.

## 6) Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer and the extent in which the facilities are utilized.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The Company leases space for \$250 per month on a month-to-month basis.

## 7) Company Insiders (Officers, Directors, and Control Persons)

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Using the tabular format below, please provide information, as of the period end date of this report, regarding any person or entity owning 5% or more of any class of the issuer's securities, as well as any officer, and any director of the company, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.**

Name of Officer/Director or Control Person	Affiliation with Company (e.g. Officer Title /Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
<u>Timothy Carnahan</u>	<u>5% Holder</u>	<u>Miami, FL</u>	<u>5,000,000</u>	<u>Common</u>	<u>5.4%</u>	
<u>David Lewis</u>	<u>CEO/Director</u>	<u>Boca Raton, FL</u>	<u>14,260</u>	<u>Series D Preferred (2)</u>	<u>43.9%</u>	On May 8, 2020 Mr. Lewis assigned 4,990 Series D Preferred shares to DBL Group LLC, a non-affiliate.  On October 1, 2020 the Board of Directors issued David Lewis 3,500,000 shares of the Company's common stock that

						were not issued until the first quarter of 2021
<u>John O'Shea</u>	<u>Director/Chairman of the Board</u>	<u>Melbourne, Australia</u>	<u>10,000</u>	<u>Series B Preferred</u>	<u>100%</u>	On October 1, 2020 the Board of Directors issued John O'Shea 3,500,000 shares of the Company's common stock that were not issued until the first quarter of 2021
			<u>15,000</u>	<u>Series C Preferred (1)</u>	<u>100%</u>	
			<u>2,500</u>	<u>Series D Preferred (2)</u>	<u>7.7%</u>	

- (1) Each share of Series C Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into that number of fully paid and nonassessable shares of Common Stock (whether whole or fractional) equal to 0.001% of the total number of shares of Common Stock outstanding at the Conversion Time
- (2) Each share of Series D Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into that number of fully paid and nonassessable shares of Common Stock (whether whole or fractional) equal to 0.001% of the total number of shares of Common Stock outstanding at the Conversion Time
- (3) David Greene resigned as an officer of the Company on October 1, 2020. He had no disputes or disagreements with the Company.

## 8) Legal/Disciplinary History

A. Please identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

None

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

None

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

None

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended, or otherwise limited such person's involvement in any type of business or securities activities.

None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject.

Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

In the Matter of Traci J. Anderson, CPA, Timothy W. Carnahan, and CYIOS Corporation (File No. 3-16386). On February 3, 2020 the Company filed its Petition for Review of the Initial Decision in this matter. The Petition is pending, and the Company intends to vigorously pursue the Petition and any additional appeals, if necessary

On February 13, 2015, the Securities and Exchange Commission entered an "Order Instituting Administrative And Cease- And-Desist Proceedings" The SEC alleged that the Company, its then CEO Timothy Carnahan and its accountant Traci J. Anderson violated certain provisions of the Sarbanes-Oxley Act of 2002, the Securities Exchange Act of 1934 and certain rules promulgated thereunder including the failure to properly assess the Company's internal controls. Ms. Anderson was dismissed from the action on December 21, 2015.

On June 21, 2018, "in light of the Supreme Court's decision in Lucia v. SEC," 138 S. Ct. 2044 (2018), the Commission stayed all pending administrative proceedings, including this one; the stay was operative through August 22, 2018. On August 22, 2018, the Commission ended the stay and ordered a new hearing in each affected proceeding before an administrative law judge who had not previously participated in the proceeding.

On January 10, 2020, the Administrative Law Judge entered an initial decision seeking a cease and desist against the Company and Carnahan and seeking to impose monetary penalties against the Company in excess of \$500,000. On February 3, 2020, the Company filed its Petition for Review of the Initial Decision. On January 25, 2021 the Administrative Law Judge granted the Company's Petition for Review and set a briefing schedule. The Company has filed its initial brief in the matter. Former CEO Carnahan has filed a separate brief on his own behalf. The SEC still has to file its response brief to which the Company can file a reply. There can be no certainty regarding the outcome of the appeal or the timeframe in which there may be a decision.

## **9) Third Party Providers**

Please provide the name, address, telephone number and email address of each of the following outside providers:

### Securities Counsel

Name: Jonathan Leinwand, Esq.  
Firm: Jonathan D. Leinwand, P.A.  
Address 1: 18305 Biscayne Blvd., Suite 200  
Address 2: Aventura, FL 33160  
Phone: 954-903-7856  
Email: jonathan@jdlpa.com

### Accountant or Auditor

Name: J.D. Patterson  
Firm: Patterson CPAs, LLC  
Address 1: 722 West Shepard Lane, Suite 101  
Address 2: Farmington, UT 84025  
Phone: 801-451-8886  
Email: john@gapcpas.com

### Investor Relations

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

### Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s) or consultant(s) or provided assistance or services to the issuer during the reporting period.

Name: \_\_\_\_\_  
Firm: \_\_\_\_\_  
Nature of Services: \_\_\_\_\_  
Address 1: \_\_\_\_\_  
Address 2: \_\_\_\_\_  
Phone: \_\_\_\_\_  
Email: \_\_\_\_\_

**10) Issuer Certification**

*Principal Executive Officer:*

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles but having the same responsibilities) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, David Lewis certify that:

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

04/15/21 [Date]

/s/ David Lewis [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

*Principal Financial Officer:*

I, John O'Shea certify that:

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

04/15/21 [Date]

/s/ John O'Shea [CFO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

**CYIOS Corporation**

**Consolidated Financial Statements  
Unaudited**

**For the Years Ended  
December 31, 2020 & 2019**

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**CYIOS CORPORATION**  
**CONSOLIDATED BALANCE SHEET**  
**As of December 31, 2020 & 2019**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>	<b>Unaudited</b>	<b>Unaudited</b>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 38,488	\$ -
Inventories	21,649	-
Prepaid expenses	-	2,075
<b>TOTAL CURRENT ASSETS</b>	60,137	2,075
<b>TOTAL ASSETS</b>	\$ 60,137	\$ 2,075
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 180,649	\$ -
Short-term liabilities	2,700	-
<b>TOTAL CURRENT LIABILITIES</b>	183,349	-
CONVERTIBLE BOND	320,459	245,919
RELATED ENTITY NOTES PAYABLE	9,453	71,839
RELATED ENTITY CONVERTIBLE NOTE	76,252	-
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, \$.001 par value, 285,000,000 shares authorized, 91,995,193 shares issued and outstanding	91,995	39,943
Preferred stock - See Note 8	10,058	10,000
Capital in excess of par value - common stock	24,776,363	24,501,762
Capital in excess of par value - preferred stock - Note 6	11,320	-
Stock subscription payable	185,221	-
Retained deficit	(25,604,333)	(24,867,388)
<b>TOTAL STOCKHOLDERS EQUITY</b>	(529,376)	(315,683)
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	\$ 60,137	\$ 2,075

*These financial statements have not been subject to audit, review or compilation engagement procedures and no assurance is provided on them.*

*See the accompanying notes.*

**CYIOS CORPORATION**  
**CONSOLIDATED STATEMENT OF OPERATIONS**  
**For The Years Ended December 31, 2020 and 2019**

	<b>2020</b>	<b>2019</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>INCOME</b>		
Revenues earned	\$ 39,564	\$ -
Cost of revenues earned	25,117	-
<b>GROSS PROFIT</b>	14,447	-
 <b>EXPENSES</b>		
General and administrative	737,723	80,434
<b>OPERATING LOSS</b>	(723,276)	(80,434)
 <b>OTHER INCOME (EXPENSE)</b>		
Interest expense	(13,670)	(10,557)
Other income	-	5,713
	(13,670)	(4,844)
 Loss before income taxes	(736,946)	(85,278)
 Income tax expense	-	-
 Loss before minority interests	(736,946)	(85,278)
 <b>T LOSS FROM CONTINUING OPERATIONS</b>	(736,946)	(85,278)
<b>NET INCOME (LOSS)</b>	\$ (736,946)	\$ (85,278)

*These financial statements have not been subject to audit, review or compilation engagement procedures and no assurance is provided on them.*

*See the accompanying notes.*

**CYIOS CORPORATION**  
**CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY**  
**For The Years Ended December 31, 2020 & 2019**

<u>Common Stock</u>		<u>Preferred Stock</u>		<u>Capital in Excess of Par Value Common</u>	<u>Capital in Excess of Par Value Preferred</u>	
<u>Unaudited</u>	<u>Amount</u>	<u>Shares</u>	<u>Amount</u>	<u>Unaudited</u>	<u>Unaudited</u>	
36,311,640	\$ 36,312	10,000,000	\$ 10,000	\$ 24,496,376	\$ -	\$
3,631,164	3,631			5,386		
-	-	-	-	-	-	
39,942,804	\$ 39,943	10,000,000	\$ 10,000	\$ 24,501,762	\$ -	\$
3,571,428	3,571	-	-	246,429	-	
48,480,961	48,481	-	-	28,172	-	
-	-	67,500	68	-	13,668	
-	-	-	-	-	-	
-	-	(10,000)	(10)	-	(2,348)	
-	-	-	-	-	-	
<u>91,995,193</u>	<u>\$ 91,995</u>	<u>9,942,500</u>	<u>\$ 10,058</u>	<u>\$ 24,776,363</u>	<u>\$ 11,320</u>	<u>\$</u>

**CYIOS CORPORATION**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**For The Years Ended December 31, 2020 & 2019**

	<b>2020</b>	<b>2019</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net loss	\$ (736,946)	\$ (35,918)
<b>(Increase) decrease in assets:</b>		
Inventories	(21,649)	-
Prepaid expenses	2,075	(825)
<b>Increase (decrease) in liabilities:</b>		
Accounts payable	180,650	(3,624)
Net cash used by operating activities	(575,870)	(40,367)
<b>CASH FLOWS FROM (USED BY) INVESTING ACTIVITIES</b>		
Cash from related entity loans	9,454	24,514
Net cash flows from investing activities	9,454	24,514
<b>CASH FLOWS FROM (USED BY) FINANCING ACTIVITIES</b>		
Cash received from related party convertible loans	4,412	-
Cash paid for stockholder loans	-	10,972
Change in short-term liabilities	2,700	-
Cash paid to convertible bonds	34,540	4,881
Cash received from convertible bonds	40,000	-
Cash received from the issuance of common stock	326,653	-
Cash received from the issuance of preferred stock	11,378	-
Common stock subscription payable	185,221	-
Net cash flows from financing activities	604,904	15,853
NET INCREASE IN CASH AND CASH EQUIVALENTS	38,488	-
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	-	-
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 38,488	\$ -

*These financial statements have not been subject to audit, review or compilation engagement procedures and no assurance is provided on them.*

*See the accompanying notes.*

**CYIOS CORPORATION**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020 & 2019**  
**Unaudited**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The Company's accounting policies conform to U.S. generally accepted accounting principles. The following policies are considered to be significant:

*Business Organization*

CYIOS Corporation (the Company) is incorporated in the State of Nevada. The Company was reorganized to engage in the business of developing and marketing specialty branded products in the Health and Wellness markets. The Company is currently headquartered in Florida. At this time, the Company is revenue producing and is selling products under its own private label and other branded products in the Health and Wellness market segment. On May 7, 2020, the Company acquired Choice Wellness Inc., a health and wellness company that has developed a specialty brand of CBD products and Sanitizers.

The Company activities are subject to significant risks and uncertainties, including failing to secure the necessary funding to operationalize it plans.

The Company wholly owns Choice Wellness, Inc. which is incorporated in the State of Wyoming. The Company is currently headquartered in Florida and is focused on developing and marketing specialty branded products in the Health and Wellness markets, including the "DR's CHOICE" and "24" brand of products.

*Principles of Consolidation*

The consolidated financial statements include the Company's wholly owned subsidiary, Choice Wellness, Inc. All significant intercompany transactions are eliminated. There was no income or expense recorded between the companies as of December 31, 2020. Inter-company receivables/payables of \$64,576 have been eliminated.

*Cash and Cash Equivalents*

Cash equivalents are generally comprised of certain highly liquid investments with original maturities of less than three months.

*Fair Value of Financial Instruments*

Financial instruments, including cash, receivables and other current assets, are carried at amounts that approximate fair value. Accounts payable, lines of credit, loans, notes payable and other liabilities are carried at amounts that approximate fair value.

*Equipment*

Equipment is carried at cost net of accumulated depreciation. Depreciation expense is computed principally on the straight-line method in amounts sufficient to write off the cost of depreciable assets over their estimated useful lives.

Normal maintenance and repair items are charged to costs and expenses as incurred. The cost and accumulated depreciation of property and equipment sold or otherwise retired are removed from the accounts and gain or loss on disposition is reflected in net income in the period of disposition.

**CYIOS CORPORATION**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020 & 2019**  
**Unaudited**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Intangible Assets

Intangible assets subject to amortization include patents and goodwill. Patents are amortized over the shorter of their legal or useful lives while goodwill is periodically reviewed for impairment.

Income Taxes

The Company uses an asset and liability approach to financial accounting and reporting for income taxes. The difference between the financial statement and tax basis of assets and liabilities is determined annually. Deferred income tax assets and liabilities are computed for those differences that have future tax consequences using the currently enacted tax laws and rates that apply to the periods in which they are expected to affect taxable income. Valuation allowances are established, if necessary, to reduce the deferred tax asset to the amount that will more likely than not be realized. Income tax expense is the current tax payable or refundable for the period, plus or minus the net change in the deferred tax assets and liabilities.

The Company's income tax returns are subject to examination by the appropriate tax jurisdictions. As of December 31, 2020, the CYIOS needs to file federal and state tax returns for the years ended 2015 through 2020. CW needs to file tax returns for 2020 and 2019. Upon filing, those returns would subject to review by federal and state tax authorities for three years.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and revenues and expenses during the reporting period. In these financial statements assets, liabilities, and earnings involve reliance on management's estimates. Actual results could differ from those estimates.

Advertising and Promotion

All costs associated with advertising and promoting the Company's goods and services are expensed in the year incurred. The Company incurred advertising expenses of \$17,522 and \$5,729 during the years ended December 31, 2020 and 2019, respectively.

Sales and Use Taxes

The Company is domiciled in the State of Nevada with its headquarters in Deerfield, Florida and is required to collect sales tax on all in-state transactions. During the months ended December 31, 2020 the Company collected and remitted no sales and use tax.

**CYIOS CORPORATION**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020 & 2019**  
**Unaudited**

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management Review Date

In preparing these revised financial statements, the Company has evaluated events and transactions for potential recognition or disclosure through April 7, 2021 the date the revised financial statements were issued.

NOTE 2 - SHORT-TERM PAYABLE

During the year ended December 31, 2020, the Company received \$2,700 from a short-term 90-day loan. The Company has extended the due day by 180 days.

NOTE 3 - STOCKHOLDER PAYABLE

On May 7, 2020, the Board of Directors approved professional fees of \$6,500 per month to two related entities individually controlled by Board members for services beginning February 1, 2020 and ending May 7, 2020. Effective May 8, 2020, the Board approved an increase to \$8,500 per month. Effective October 1, 2020, the Board of Directors authorized an increase to \$12,500 per month for the Board chair and CEO. In a separate Board action, a motion was approved to provide the Chairman and CEO a monthly allowance of \$1,250 to provide for costs incurred to include internet, phone, utilities, automobile use and a family health care credit. As of December 31, 2020 & 2019, those fees totaled \$155,512 and \$0, respectively. Additionally, the Company's subsidiary owes an additional \$1,000 to a board member.

NOTE 4 - CONVERTIBLE LOAN

During January of 2016, the Company entered into a \$225,000 Convertible Loan Agreement with Azure Associates in exchange for non-assessable shares of the Company's Common Stock based upon a conversion price of \$.0003 per share with interest accruing at 0%. To comply with U.S. Generally Accepted Accounting Principles, (US GAAP), Company has applied an interest rate of 2.65% based upon the long-term federal funds rate when the convertible bond was issued. As of August 31, 2019, the Company agreed to restructure the convertible debt from a conversion price of \$.0003 per share to \$.001 per share. During the year ended December 31, 2020, the Company converted \$76,653, including interest, of this debt leaving a balance due of \$197,633.36 including accrued interest of \$898.56. No conversion shares were issued in 2019.

NOTE 5 - CONVERTIBLE BONDS

During the year ended December 31, 2020, the Company issued 3 convertible bonds for \$20,000 each that are due between May and June of 2021 each with a stated interest rate of 10%. December 31, 2020, the balance on those bonds were \$62,738, including interest.

**CYIOS CORPORATION**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020 & 2019**  
**Unaudited**

**NOTE 6 - CONVERTIBLE GRID PROMISSORY NOTE**

During the year ended December 31, 2020, the Company entered into agreement with BB Winks LLC for a convertible grid promissory note for up to \$500,000. The initial terms required \$60,000 in initial funding prior to December 31, 2020. The note accrues interest annually at 8% per annum and any loans provided require payment within one year in cash or for common stock with a fixed price of \$.012 per share. At no time will the Company issue common shares that would result in the lender owning more than 9.99% of the common stock outstanding at the time of conversion. As of December 31, 2020, the total balance outstanding was \$60,088, including interest.

**NOTE 7 - RELATED ENTITY NOTE PAYABLE AND CONVERTIBLE NOTE PAYABLE**

The Company entered into a loan agreement with OFBP Proprietary Limited (OFBP Pty Ltd) in the fourth quarter of 2018, for up to \$250,000 to pay for operational expenses. As of December 31, 2020, the balance under this loan was \$71,839. Interest accrued at 15% per annum on the outstanding balance. On January 2nd 2020, in exchange of this loan, the Company issued a one-year Convertible Promissory Note to OFBP Pty, Ltd in the amount of \$71,839 for payments made by the investor on behalf of the Company to various third-party vendors, at the direction of the Company, during 2019. General terms of the Note are 6% annual interest and conversion terms of 25% discount into common shares. As of December 31, 2020, the balance of the Convertible Note Payable was \$76,252, including interest.

Beginning January 2, 2020, any new funds provided by OFBP will be a loan payable at 8% annual interest. During the period ending September 30, 2020, \$7,048 in payments made by the investor on behalf of the Company to various third-party vendors, at the direction of the Company. The Company closed out the agreement with OFBP during the 2<sup>nd</sup> quarter of 2020. As of September 30, 2020, the balance of the note payable was \$9,453, including interest.

**NOTE 8 - COMMON STOCK ACTIVITY**

The Company is authorized to issue 100,000,000 shares of common stock at \$.001 per share. The number of issued and outstanding shares were 91,995,193 as of December 31, 2020. Reference Note 18 for an increase in the number of common shares authorized after December 31, 2020.

On January 10, 2020 the Company signed an agreement with Cicero Transact, an exclusive online network of members from around the world who are dedicated to forging strategic business alliances. The material terms of the agreement are that the Company will receive 2,500,000 records for 6 months in exchange for 3,571,428 shares of common stock at \$0.07 per share.

During the year ended, 2020, the company has issued 48,480,961 shares in connection with the Convertible Loan Agreement originally with Azure Associates, currently assigned to JRICKS LLC, for the conversion of \$48,285 on the note payable and accrued interest (see note 2 for additional details).

**CYIOS CORPORATION**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020 & 2019**  
**Unaudited**

NOTE 9 - COMMON STOCK SUBSCRIPTION

During 2020, the Company converted 10,000 shares of Preferred Series B into 2,348,103 shares valued at \$35,222. Additionally, the Board of Directors (Board) authorized the issuance of 3,500,000 shares of common stock to the chairman of the board and the chief executive officer for professional services rendered effective October 1, 2020. The closing price per share on that date was \$.02 placing the value for both issuances at \$140,000. Additionally, the Board authorized the issuance of 500,000 shares at the same \$.02 closing price to be issued to a vendor in exchanges for consulting services provided to the Company. As of December 31, 2020, the Company has a stock subscription payable of \$185,222 which the Company plans to address in the 1<sup>st</sup> quarter of 2021.

NOTE 10 - PREFERRED STOCK

As of December 31, 2020, the Company is authorized 15,000,000 of which 4,942,000 remains undesignated. The 10,057,500 designated shares are allocated to the following 4 series:

<u>Preferred Stock</u>	<u>Par Value</u>	<u>Shares Authorized</u>	<u>Issued &amp; Outstanding</u>	<u>Preferred Stock</u>	<u>Additional Paid-in Capital</u>	<u>Total by Series</u>
Series A	\$0.001	10,000,000	-	\$ 10,000	\$ -	\$ 10,000
Series B	\$0.001	10,000	10,000	10	-	10
Series C	\$0.001	15,000	15,000	15	-	15
Series D	\$0.001	<u>32,500</u>	<u>32,500</u>	<u>33</u>	<u>11,320</u>	<u>11,353</u>
Preferred Stock Totals		<u>10,057,500</u>	<u>\$ 57,500</u>	<u>\$ 10,058</u>	<u>\$ 11,320</u>	<u>\$ 21,378</u>

Series A

As of December 31, 2020, the Company is authorized the issue of up to 10,000,000 shares of \$.001 par value Series A preferred stock. The preferred stock carries a voting right of 20 votes per share and each share is convertible to 20 shares of common stock. As of September 30, 2020, the Company had previously issued 10,000,000 shares of preferred stock which were returned as part of the settlement with a former CEO.

Series B

As of December 31, 2020, the Company is authorized the issue of up to 10,000 shares of \$.001 par value Series B preferred stock. As of September 30, 2020, the Company had previously issued 10,000 shares of preferred stock to David Green for his service as CEO. Those shares were later converted to 2,348,103 common shares at \$.015 per share. Subsequently, the 10,000 shares of Series B we issued to Mr. John O'Shea at par value for services to the Company.

**CYIOS CORPORATION**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020 & 2019**  
**Unaudited**

NOTE 10 - PREFERRED STOCK - CONTINUED

Series C

As of December 31, 2020, the Company is authorized the issue of up to 15,000 shares of \$.001 par value Series C preferred stock. During the nine months ended September 30, 2020, the Company issued 15,000 shares of Series C to Mr. John O’Shea at par value for services to the Company. Each share of Series C Preferred Stock is convertible into a number of common shares equal to .001% of the number of common shares issued and outstanding on the date of conversion.

Series D

As of December 31, 2020, the Company is authorized the issue of up to 32,500 shares of \$.001 par value Series D preferred stock. . As of September 30, 2020, the Company had issued 20,000 shares of preferred stock to acquire Choice Wellness, Inc. Additionally, 2,500 and 10,000 shares of Series D were issued at par value to Mr. John O’Shea and Mr. David Lewis, respectively, for services provided (2,500 to each for services provided to the Board of Directors and the other 7,500 to Mr. Lewis for service as the Chief Executive Officer (CEO). Each share of Series D Preferred Stock is convertible into a number of common shares equal to .001% of the number of common shares issued and outstanding on the date of conversion.

NOTE 11 - STOCK-BASED NONEMPLOYEE COMPENSATION

On October 14, 2019, the Company entered into an agreement with a consultant to ensure compliance with legal obligations concerning OTC markets and related filings. The yearlong \$30,000 agreement, after an initial \$2,500 cash payment, will pay the \$27,500 balance in the Company’s common shares calculated at \$0.05 per share. In the event the Company’s shares is less than 5 cents per share, the price will be adjusted to a price per share equity to a 25% discount to the lowest closing price for the stock during the preceding 30 days.

NOTE 12 - INCOME TAXES

The components of income tax expense (benefit) attributable to continuing operations are as follows:

	<b>2019</b>
	<b>Unaudited</b>
Total deferred tax asset	\$ 5,221,369
Valuation allowance	5,221,369
Net deferred tax asset	\$ -

The Company’s income tax expense can differ from the statutory federal rate due primarily to state income taxes and surtax exemptions. Current, the federal tax rate is 21% with a like valuation allowance. As of each reporting date, management considers

**CYIOS CORPORATION**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020 & 2019**  
**Unaudited**

**NOTE 12 - INCOME TAXES – CONTINUED**

new evidence, both positive and negative, that could affect its view of the future realization of deferred tax assets. As of March 15, 2021, there remains insufficient positive evidence to conclude that it is more likely than not that any deferred taxes are realizable; therefore, the valuation allowance brings the net deferred tax asset to \$0 for the most recent year ended December 31, 2020. At such time as there is positive evidence, the valuation will be adjusted accordingly.

The deferred tax asset is based upon an estimated Net Operating Loss (NOL) carryforward of \$24,867,000. An NOL incurred before January 1, 2018 expires after 20 years while an NOL incurred after that date is indefinite. As of December 31, 2020, the Company is unable to determine the exact NOL due to the need to determine and to file past-due federal and state tax income tax returns. The Company's current management team is working to acquire past returns in order to determine the starting point for those needed filings. See Note 1 for additional details.

**NOTE 13 - UNITED STATES TAX LAW CHANGE**

On December 22, 2017, President Trump signed into law the statute originally named the "Tax Cuts and Jobs Act" (the "2017 Tax Act") which enacts a broad range of changes to the Code. The 2017 Tax Act, among other things, includes changes to U.S. federal tax rates, imposes significant additional limitations on the deductibility of interest and net operating losses, allows for the expensing of certain capital expenditures, and puts into effect a number of changes impacting operations outside of the United States including, but not limited to, the imposition of a one-time tax on accumulated post-1986 deferred foreign income that has not previously been subject to tax, and modifications to the treatment of certain intercompany transactions

**NOTE 14 - GOING CONCERN**

As reflected in the accompanying unaudited financial statements, the Company is in the development stage has a working capital deficiency and a retained deficit of (\$25,604,333). The Company's ability to continue as a going concern is dependent on its ability to raise additional capital and implement its business plan. The financial statements do not include any adjustments that might be necessary if the business plans provide the opportunity for the Company to continue as a going concern.

**NOTE 15 - LITIGATION SETTLED**

On March 16, 2020, the Company settled certain claims alleged by its former CEO Timothy Carnahan. As part of settlement, Mr. Carnahan provided written notification to the State of Nevada, the company's Transfer Agent and all relevant governing agencies including the US Securities and Exchange Commission that recent statements and actions undertaken by Mr. Carnahan have been withdrawn. Additionally, Mr. Carnahan agreed to cancel 15,226,294 shares of restricted common stock which had been issued to him when he was CEO as well as 10,000,000 shares of Series A Preferred Stock.

**CYIOS CORPORATION**  
**CONSOLIDATED NOTES TO FINANCIAL STATEMENTS**  
**December 31, 2020 & 2019**  
**Unaudited**

**NOTE 16 - BOARD OF DIRECTORS**

On May 7, 2020, David Green resigned as CEO and was replaced by David Lewis. Mr. Green remains on the Board of Directors along with Mr. Lewis who was also appointed as a member of the board. Finally, John O'Shea was appointed as the Chairman of the Board.

Also on May 7, 2020, the Board of Directors approved professional fees of \$6,500 per month to two related entities individually controlled by Board members for services beginning February 1, 2020 and ending May 7, 2020. Effective May 8, 2020, the Board approved an increase to \$8,500 per month. On October 1, 2020, the Board of Directors authorized an increase to \$12,500 per month for the Board chair and CEO. In a separate Board action, a motion was approved to provide the Chairman and CEO a monthly allowance of \$1,250 to provide an allowance for costs incurred in the performance of their duties.

**NOTE 17 - PURCHASE OF CHOICE WELLNESS, INC.**

On May 7, 2020 CYIOS Corp completed the acquisition of privately held Choice Wellness, Inc. (CW). Terms of the transaction were CYIOS acquired 100% of CW in exchange for 20,000 shares of a newly issued class of Series D preferred stock that converts into 20% of CYIOS.

**NOTE 18 - SUBSEQUENT EVENTS**

Effective January 1, 2021, the Board of Directors during an October 1, 2020 meeting, authorized an increase in the monthly pay rate for the Board chair and CEO to \$15,000. The authorization makes this pay effective for the 12 months ending December 31, 2021.

Effective January 14, 2021, the Board of Directors authorized an amendment to be filed with Nevada Secretary of State's office authorizing an increase in the number of common shares authorized from 100,000,000 to 285,000,000.