**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**Form 10-K**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the fiscal year ended December 31, 2022**

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the transition period from                      to**

**Commission file number: 000-53450**

**REMSLEEP HOLDINGS, INC.**

(Exact name of registrant as specified in its charter)

|  |  |  |
| --- | --- | --- |
| **Nevada** |  | **47-5386867** |
| (State or other jurisdiction of incorporation or organization) |  | (I.R.S. Employer Identification No.) |

**14175 ICOT Blvd, Suite 300, Clearwater, FL 33760**

(Address of principal executive offices) (Zip Code)

**813-367-3855**

(Registrant’s telephone number)

Securities registered pursuant to Section 12(b) of the Exchange Act: None.

Securities registered pursuant to Section 12(g) of the Exchange Act:

|  |
| --- |
| **Common Stock, $0.001 par value** |
| (Title of class) |

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐  No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐  No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒  No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒  No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of “large accelerated filer,” “accelerated filer,” “smaller reporting company” and “emerging growth company” in Rule 12b-2 of the Exchange Act.

|  |  |
| --- | --- |
| Large accelerated filer ☐ | Accelerated filer ☐ |
| Non-accelerated filer ☒ | Smaller reporting company ☒ |
| Emerging growth company ☐ |  |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant has filed a report on and attestation to its management’s assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting fi rm that prepared or issued its audit report. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐  No ☒

State the aggregate market value of the voting and non-voting common equity held by non-affiliates: $34,418,892 based on 1,458,427,613 non affiliate shares outstanding at $.00236 per share, which is the price at which the common shares were last sold on the last business day of the registrant’s most recently completed second fiscal quarter.

As of April 17, 2023, there were 1,461,616,601 shares of the issuer’s common stock outstanding.

**TABLE OF CONTENTS**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  |  |  |  | **Page** |
|  |  | [**PART I**](#a_001) |  |  |
|  |  |  |  |  |
| Item 1. |  | [Description of Business](#a_002) |  | 1 |
| Item 1A. |  | [Risk Factors](#a_003) |  | 7 |
| Item 1B. |  | [Unresolved Staff Comments](#a_003a) |  |  |
| Item 2. |  | [Properties](#a_004) |  | 7 |
| Item 3. |  | [Legal Proceedings](#a_005) |  | 7 |
| Item 4. |  | [Mine Safety Disclosures](#a_006) |  | 7 |
|  |  |  |  |  |
|  |  | [**PART II**](#a_007) |  |  |
|  |  |  |  |  |
| Item 5. |  | [Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities](#a_008) |  | 8 |
| Item 6. |  | [[Reserved]](#a_009) |  | 8 |
| Item 7. |  | [Management’s Discussion and Analysis of Financial Condition and Results of Operations](#a_010) |  | 8 |
| Item 7A. |  | [Quantitative and Qualitative Disclosures About Market Risk](#a_011) |  | 10 |
| Item 8. |  | [Financial Statements and Supplementary Data](#a_012) |  | F-1 |
| Item 9. |  | [Changes In and Disagreements with Accountants on Accounting and Financial Disclosure](#a_013) |  | 11 |
| Item 9A. |  | [Controls and Procedures](#a_014) |  | 11 |
| Item 9B. |  | [Other Information](#a_015) |  | 12 |
| Item 9C. |  | [Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.](#a_016) |  | 12 |
|  |  |  |  |  |
|  |  | [**PART III**](#a_017) |  |  |
|  |  |  |  |  |
| Item 10. |  | [Directors, Executive Officers, and Corporate Governance](#a_018) |  | 13 |
| Item 11. |  | [Executive Compensation](#a_019) |  | 14 |
| Item 12. |  | [Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters](#a_020) |  | 15 |
| Item 13. |  | [Certain Relationships and Related Transactions, and Director Independence](#a_021) |  | 15 |
| Item 14. |  | [Principal Accountant Fees and Services](#a_022) |  | 16 |
|  |  |  |  |  |
|  |  | [**PART IV**](#a_023) |  |  |
|  |  |  |  |  |
| Item 15. |  | [Exhibits and Financial Statement Schedules](#a_024) |  | 17 |
| Item 16. |  | [Form 10-K Summary](#a_025) |  | 17 |
|  |  | [Signatures](#a_026) |  | 18 |

i

**PART I**

**ITEM 1. DESCRIPTION OF BUSINESS**

**Forward Looking Statements**

Except for statements of historical fact, the information presented herein constitutes forward-looking statements. These forward-looking statements generally can be identified by phrases such as “anticipates,” “believes,” “estimates,” “expects,” “forecasts,” “foresees,” “intends,” “plans,” or other words of similar import.  Similarly, statements herein that describe our business strategy, outlook, objectives, plans, intentions or goals also are forward-looking statements.  Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.  Such factors include, but are not limited to, our ability to: successfully commercialize our technology; generate revenues and achieve profitability in an intensely competitive industry; compete in products and prices with substantially larger  and better capitalized competitors; secure, maintain and enforce a strong intellectual property portfolio; attract additional capital sufficient to finance our working capital requirements, as well as any investment of plant, property and equipment; develop a sales and marketing infrastructure; identify and maintain relationships with third party suppliers who can provide us a reliable source of raw materials; acquire, develop, or identify for our own use, a manufacturing capability; attract and retain talented individuals; continue operations during periods of uncertain general economic or market conditions, and; other events, factors and risks previously and from time to time disclosed in our filings with the Securities and Exchange Commission, including, specifically, the “Risk Factors” enumerated herein. Although we believe the expectations reflected in our forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements.  You should not place undue reliance on our forward-looking statements, which speak only as of the date of this report.  Except as required by law, we do not undertake to update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

**Overview**

We were incorporated in the State of Nevada on June 6, 2007. On August 2, 2010, we changed our name from Bella Viaggio, Inc. to Kat Gold Holdings Corp. Effective January 1, 2015, we completed an exchange agreement to purchase 100% of the outstanding interests of REMSleep LLC in exchange for 50,000,000 common shares of REMSleep Holdings, Inc.’s stock, at which time REMSleep LLC became our wholly-owned subsidiary and adopted their business of developing and distributing our sleep apnea products. On January 5, 2015, we changed our name to REMSleep Holdings, Inc. to reflect our new business model.

Our officers have 35 years of sleep-industry experience, including having been employed at sleep industry companies. Our officers invented our DeltaWave CPAP interface (the “DeltaWave”) as an innovative new device to treat patients with sleep apnea. The patent-pending DeltaWave product is a nasal-pillows type interface that will result in better comfort and, therefore, better compliance since it was specifically designed with unique airflow characteristics to enable patients with sleep apnea to breathe normally. A survey that appeared in DME Business found that 89% of patients stated that mask-interface comfort was their primary concern. The primary issue that we have addressed with the DeltaWave is the “work of breathing” component. We believe that our DeltaWave is designed to effectively address the stubborn issues that continue to affect a patient’s ability to comply with treatment, as follows:

|  |  |  |
| --- | --- | --- |
|  | ● | Does not disrupt normal breathing mechanics; |
|  |  |  |
|  | ● | Is not claustrophobic; |
|  |  |  |
|  | ● | Causes zero work of breathing (WOB); |
|  |  |  |
|  | ● | Minimizes or eliminates drying of the sinuses; |
|  |  |  |
|  | ● | Uses less driving pressure; and |
|  |  |  |
|  | ● | Allows users to feel safe and secure while sleeping. |

Pending adequate financing, we plan to conduct clinical trials to test product effectiveness.

On June 28, 2016, we applied for a patent for a new, innovative sleep apnea product that serves as an interface for the delivery of CPAP therapy and other respiratory needs. Our goal is to develop sleep products that achieve optimum compliance and comfort for CPAP patients.

Our website is located at: http://remsleep.com.

1

**Industry Background**

The market for sleep treatment and equipment was $7.96 billion in 2011 and continues to increase, with North America accounting for a majority of the market. More than 8 million CPAP interfaces are sold annually in the U.S., with another 2.5 million globally. There are also an estimated 80 million people with undiagnosed sleep apnea. Sleep apnea is a condition that affects millions of people in the United States alone. An increasingly sedentary lifestyle and bad working habits has led to obesity and otherwise poor cardiac and aerobic health. This has led to a fast-growing epidemic of obstructive sleep apnea (OSA), which greatly reduces the quality of sleep one gets and can ultimately result in hypertension, heart failure, stroke, and at the least, reduced performance in everyday life. Sleep apnea results in numerous afflictions that affect people’s day-to-day lives and can eventually contribute to serious health conditions. While people’s knowledge of this affliction has grown strongly in recent years, and the market is expanding fast nationwide, up to 80% of people with sleep apnea may be undiagnosed1 – a market of millions of new potential users. Even those who are tested and prescribed a sleep apnea machine often give up after a short time due to discomfort or what is called the “work of breathing” with traditional machines. In fact, over 50% of patients give up on using CPAP therapy after 6 months. This is a major waste of resources and a very telling statistic.

A major challenge in the current market is not only to get more patients diagnosed but to also increase CPAP compliance. According to market analyst Frost & Sullivan, “The development of finer and ergonomic CPAP devices will help increase patient ability to adhere to sleep therapy. The market is also seeing a rise in newer technologies that replace elaborate practices, target patient comfort to improve compliance, and help drive acceptance of sleep monitoring devices.”

A growing knowledge of sleep apnea and its treatment has helped to increase awareness with the public. In addition to making the use of a CPAP or related device less intimidating, a move toward affordable and prescription-based technology can greatly expand the market “Evolving technologies will also influence patient preferences for products, treatment modalities, and diagnostic locations,” states Frost & Sullivan2. “As such, the global sleep apnea treatment market is expected to shift to home-based diagnostics for early identification and treatment of patients as well as portable devices that can reduce sleep apnea with minimal inconvenience.”

Sleep apnea causes breathing interruptions of between 10 to 20 seconds that can occur hundreds of times during a night, disrupting the natural sleep rhythm and depriving people of the restorative sleep they need to be energetic, mentally sharp, and productive the next day. CPAP can be a very effective method used to treat sleep apnea, but as noted, noncompliance remains a stubborn issue for both physicians and patients. CPAP technology therefore is constantly being updated and improved, and the new CPAP devices are lighter, quieter, and more comfortable.

Health care spending continues to grow rapidly on an annual basis in the United States. Spending was $2.7 trillion in 2011 and, in 2013, it reached over $3.6 trillion. By 2022, spending is projected to reach $5 trillion, or around 20% of GDP, according to the Centers for Medicare and Medicaid Services3. Growing alongside this market is the U.S. life science industry, which will grow an estimated 2.2% in 2014 to $93 billion. This includes R&D spending, with growth primarily from smaller biopharmaceutical innovators and medical device manufacturers.

Within this market, sleep apnea products have experienced rapid growth. In the past couple of decades there has been a rapid increase in the technological developments in the field of sleep apnea diagnosis and treatment. The result has been strong growth for sleep apnea devices globally. Demand for new and innovative treatment methodologies is driving growth, helping to provide patients with a healthy lifestyle. “Obstructive sleep apnea is destroying the health of millions of Americans, and the problem has only gotten worse over the last two decades,” according to American Academy of Sleep Medicine President Dr. Timothy Morgenthaler4. “The effective treatment of sleep apnea is one of the keys to success as our nation attempts to reduce health care spending and improve chronic disease management.”

Sleep problems are considered a “global epidemic,” with sleep apnea as a major contributor to the disorder. An estimated 100 million people worldwide have sleep apnea, though more than 80% of these people are undiagnosed. The market for sleep apnea diagnostic and therapeutic devices on a global level was $7.96 billion in 2011 and will reach a projected $19.72 billion by 2017, according to a study from Markets & Markets1 Nationwide in the U.S., there are more than 1,600 businesses in the Sleep Disorder Clinics market, according to research firm IBISWorld. These businesses have combined annual revenue of $7 billion and have maintained a combined annual growth rate (CAGR) of 9.8% from 2008 to 2013. “Sleep clinics have gained exposure during the period due to the rising number of sleep disorders,” states IBISWorld. “Moreover, health insurance policies are increasingly covering all or at least part of the costs of tests and, as more patients have been able to gain greater access to specialized sleep clinics, industry revenue grows.”

Sources:

|  |  |  |
| --- | --- | --- |
|  | 1. | Markets & Markets. “Global Sleep Apnea Diagnostics& Therapeutic Devices Market.” http://www.marketsandmarkets.com/PressReleases/sleep-apnea-devices.asp |

|  |  |  |
| --- | --- | --- |
|  | 2. | Frost & Sullivan. “Sleep apnea market is in need of finer, ergonomic treatments.” June 4, 2014. http://www.frost.com/prod/servlet/press-release.pag?docid=290951848 |

|  |  |  |
| --- | --- | --- |
|  | 3. | Forbes. “Annual U.S. Healthcare Spending Hits $3.8 Trillion.” Feb. 2, 2014. http://www.forbes.com/sites/danmunro/2014/02/02/annual-u-s-healthcare-spending-hits-3-8-trillion/ |

|  |  |  |
| --- | --- | --- |
|  | 4. | American Academy of Sleep Medicine. “Rising prevalence of sleep apnea in U.S. threatens public health.” Sept. 2014. http://www.aasmnet.org/articles.aspx?id=5043 |

2

There are also more than 972,000 physicians and 365,000 doctors’ offices, as well as nearly 5,800 hospitals. In addition, the market for U.S. home healthcare is served by about 30,000 businesses with combined annual revenue of $59 billion. The market includes medical and skilled nursing services; medical equipment, supplies, and medication services; personal care; and therapeutic services (like physical and respiratory therapy).

*Marketing*

We plan to market the DeltaWave product in the U.S., as follows:

|  |  |  |
| --- | --- | --- |
|  | ● | Submit manufacture orders to our manufacturer according to market demand |
|  |  |  |
|  | ● | Negotiate and secure agreements with industry distributor partners |
|  |  |  |
|  | ● | Secure agreements with Internet retailers for online sales |
|  |  |  |
|  | ● | Market DeltaWave at respiratory trade shows, social media, press releases |
|  | ● | Market and generate online sales through our website supplemented by search engine optimization, |
|  |  |  |
|  | ● | Disseminate press releases to media outlets and publications that reach sleep medical practices and DME managers/distributors, including trade publications like Sleep Medicine, Sleep Review, Sleep, The Sleep Magazine |
|  |  |  |
|  | ● | Attend sleep and healthcare, respiratory industry trade shows |

All of the foregoing is contingent upon adequate financing.

*Target Market*

Our target market includes:

|  |  |  |
| --- | --- | --- |
|  | ● | Sleep product distributors that will distribute our product |
|  |  |  |
|  | ● | Home care dealers |
|  |  |  |
|  | ● | Private sleep labs |
|  |  |  |
|  | ● | Product end users |
|  |  |  |
|  | ● | Physicians, particularly sleep physicians |
|  |  |  |
|  | ● | Medical groups |
|  |  |  |
|  | ● | Hospitals |
|  |  |  |
|  | ● | Medical associations, such as the American Academy of Sleep Medicine and the American Sleep Association |

We expect that most of our revenues will be in the home care dealers and hospital target market.

3

Manufacturing

Our product will be manufactured by mold makers.  We presently have molds made in China; however, we are considering relocating the manufacturing of our molds to the United States.

Operations Contingent Upon Adequate Financing

Our entire business plan, including our ability to conduct manufacturing, marketing, generate sales and further develop products, are entirely dependent upon adequate financing. Should we fail to obtain adequate financing: (a) our financial condition will be negatively affected; (b) we will be unable to conduct the essential aspects of our business plan, including marketing as reflected above; (c) investments in our common stock will be negatively impacted; (d) we will be forced to liquidate our business and file for bankruptcy protection.

*Competition*

The sleep apnea devices market is highly consolidated, with primary competitors being:

|  |  |  |
| --- | --- | --- |
|  | ● | ResMed |
|  |  |  |
|  | ● | Philips Respironics |
|  |  |  |
|  | ● | Naus Medical |
|  |  |  |
|  | ● | Fisher & Paykel Healthcare |
|  |  |  |
|  | ● | DeVilbiss Healthcare |
|  |  |  |
|  | ● | CareFusion |
|  |  |  |
|  | ● | InnoMed |
|  |  |  |
|  | ● | TAP |

ResMed is the market leader (45% of market share), followed by Philips (30%), and Fisher/Paykel (12%). Our competitors offer a full range of sleep products.

Our competitors have greater financial, operational and personnel resources than we do. We will attempt to overcome our competitors’ competitive advantages by emphasizing the advantages of our Delta Wave product.

*Government Regulations*

*FDA*

Our products are subject to extensive regulation particularly as to safety, efficacy and adherence to FDA Quality System Regulation, and related manufacturing standards. Medical device products are subject to rigorous FDA and other governmental agency regulations in the United States and similar regulations of foreign agencies abroad. The FDA regulates the design, development, research, preclinical and clinical testing, introduction, manufacture, advertising, labeling, packaging, marketing, distribution, import and export, and record keeping for such products, to ensure that medical products distributed in the United States are safe and effective for their intended use. In addition, the FDA is authorized to establish special controls to provide reasonable assurance of the safety and effectiveness of most devices. Non-compliance with applicable requirements can result in import detentions, fines, civil and administrative penalties, injunctions, suspensions or losses of regulatory approvals, recall or seizure of products, operating restrictions, refusal of the government to approve product export applications or allow us to enter supply contracts, and criminal prosecution.

Unless an exemption applies, the FDA requires that a manufacturer introducing a new medical device or a new indication for use of an existing medical device obtain either a Section 510(k) premarket notification clearance or a premarket approval, or PMA, before introducing it into the U.S. market. The type of marketing authorization is generally linked to the classification of the device. The FDA classifies medical devices into one of three classes (Class I, II or III) based on the degree of risk the FDA determines to be associated with a device and the level of regulatory control deemed necessary to ensure the device’s safety and effectiveness.

4

Our products currently marketed in the United States are marketed in reliance on 510(k) pre-marketing clearances as either Class I or Class II devices. The process of obtaining a Section 510(k) clearance generally requires the submission of performance data and often clinical data, which in some cases can be extensive, to demonstrate that the device is “substantially equivalent” to a device that was on the market before 1976 or to a device that has been found by the FDA to be “substantially equivalent” to such a pre-1976 device, a predecessor device is referred to as “predicate device.” As a result, FDA clearance requirements may extend the development process for a considerable length of time. In addition, in some cases, the FDA may require additional review by an advisory panel, which can further lengthen the process. The PMA process, which is reserved for new devices that are not substantially equivalent to any predicate device and for high-risk devices or those that are used to support or sustain human life, may take several years and requires the submission of extensive performance and clinical information.

Medical devices can be marketed only for the indications for which they are cleared or approved. After a device has received 510(k) clearance for a specific intended use, any change or modification that significantly affects its safety or effectiveness, such as a significant change in the design, materials, method of manufacture or intended use, may require a new 510(k) clearance or PMA approval and payment of an FDA user fee. The determination as to whether a modification could significantly affect the device’s safety or effectiveness is initially left to the manufacturer using available FDA guidance; however, the FDA may review this determination to evaluate the regulatory status of the modified product at any time and may require the manufacturer to cease marketing and recall the modified device until 510(k) clearance or PMA approval is obtained. The manufacturer may also be subject to significant regulatory fines or penalties. The FDA is currently reviewing its guidance describing when it believes a manufacturer is obligated to submit a new 510(k) for modifications or changes to a previously cleared device. The FDA is expected to issue revised guidance to assist device manufacturers in making this determination. It is unclear whether the FDA’s approach in this new guidance will result in substantive changes to existing policy and practice regarding the assessment of whether a new 510(k) is required for changes or modifications to existing devices.

Any devices we manufacture and distribute pursuant to clearance or approval by the FDA are subject to pervasive and continuing regulation by the FDA and certain state agencies. These include product listing and establishment registration requirements, which help facilitate FDA inspections and other regulatory actions. As a medical device manufacturer, our manufacturing facilities are subject to inspection on a routine basis by the FDA. We are required to adhere to applicable regulations setting forth detailed cGMP requirements, as set forth in the QSR, which require, manufacturers, including third-party manufacturers, to follow stringent design, testing, control, documentation and other quality assurance procedures during all phases of the design and manufacturing process. Noncompliance with these standards can result in, among other things, fines, injunctions, civil penalties, recalls or seizures of products, total or partial suspension of production, refusal of the government to grant 510(k) clearance or PMA approval of devices, withdrawal of marketing approvals and criminal prosecutions. We believe that our design, manufacturing and quality control procedures are in compliance with the FDA’s regulatory requirements.

We must also comply with post-market surveillance regulations, including medical device reporting, or MDR, requirements which require that we review and report to the FDA any incident in which our products may have caused or contributed to a death or serious injury. We must also report any incident in which our product has malfunctioned if that malfunction would likely cause or contribute to a death or serious injury if it were to recur.

Labeling and promotional activities are subject to scrutiny by the FDA and, in certain circumstances, by the Federal Trade Commission. Medical devices approved or cleared by the FDA may not be promoted for unapproved or un-cleared uses, otherwise known as “off-label” promotion. The FDA and other agencies actively enforce the laws and regulations prohibiting the promotion of off-label uses, and a company that is found to have improperly promoted off-label uses may be subject to significant liability, including substantial monetary penalties and criminal prosecution.

*Other Healthcare Laws*

Even though we do not submit claims or bill governmental programs and other third-party payers directly for reimbursement for our products sold in the United States, we are still subject to laws and regulations that may restrict our business practices, including, without limitation, anti-kickback, false claims, physician payment transparency and data privacy and security laws. The government has interpreted these laws broadly to apply to the marketing and sales activities of manufacturers and distributors like us.

5

The federal Anti-Kickback Statute prohibits, among other things, persons or entities from knowingly and willfully soliciting, receiving, offering or providing remuneration, directly or indirectly, in cash or in kind, in exchange for or to induce either the referral of an individual for, or the purchase, lease, order or recommendation of, any good, facility, item or service for which payment may be made, in whole or in part, under federal healthcare programs such as Medicare and Medicaid. In addition, a claim including items or services resulting from a violation of the federal Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act.

The federal civil False Claims Act prohibits, among other things, any person or entity from knowingly presenting, or causing to be presented, a false or fraudulent claim for payment or approval to the federal government or knowingly making, using or causing to be made or used a false record or statement material to a false or fraudulent claim to the federal government. A claim includes “any request or demand” for money or property presented to the U.S. government. The civil False Claims Act also applies to false submissions that cause the government to be paid less than the amount to which it is entitled, such as a rebate. Intent to deceive is not required to establish liability under the civil False Claims Act.

The Federal Health Insurance Portability and Accountability Act of 1996, or HIPAA, created federal criminal statutes that prohibit among other actions, knowingly and willfully executing, or attempting to execute, a scheme to defraud any healthcare benefit program, including private third-party payors, knowingly and willfully embezzling or stealing from a healthcare benefit program, willfully obstructing a criminal investigation of a healthcare offense, and knowingly and willfully falsifying, concealing or covering up a material fact or making any materially false, fictitious or fraudulent statement in connection with the delivery of or payment for healthcare benefits, items or services. Like the Anti-Kickback Statute, a person or entity does not need to have actual knowledge of these statutes or specific intent to violate them to have committed a violation.

Also, many states and countries outside the U.S. have similar fraud and abuse statutes or regulations that may be broader in scope and may apply regardless of payor, in addition to items and services reimbursed under Medicaid and other state programs.

Under HIPAA, the Department of Health and Human Services, or HHS, has issued regulations to protect the privacy and security of protected health information used or disclosed by covered entities including health care providers, such as us. HIPAA also regulates standardization of data content, codes and formats used in health care transactions and standardization of identifiers for health plans and providers. Penalties for violations of HIPAA regulations include civil and criminal penalties. In addition to federal privacy and security regulations, there are state laws governing confidentiality and security of health information that are applicable to our business. New laws governing privacy may be adopted in the future as well. Failure to comply with privacy requirements could result in civil or criminal penalties, which could have a materially adverse effect on our business.

Additionally, there has been a recent trend of increased federal and state regulation of payments and transfers of value provided to healthcare professionals or entities. The Physician Payment Sunshine Act was enacted in law as part of PPACA, which imposed new annual reporting requirements on device manufacturers for payments and other transfers of value provided by them, directly or indirectly, to physicians and teaching hospitals, as well as ownership and investment interests held by physicians and their family members. A manufacturer’s failure to submit timely, accurately and completely the required information for all payments, transfers of value or ownership or investment interests may result in civil monetary penalties. Certain states also mandate implementation of commercial compliance programs, impose restrictions on device manufacturer marketing practices and/or require the tracking and reporting of gifts, compensation and other remuneration to healthcare professionals and entities.

The shifting commercial compliance environment and the need to build and maintain robust systems to comply with different compliance or reporting requirements in multiple jurisdictions increase the possibility that a healthcare company may fail to comply fully with one or more of these requirements. If our operations are found to be in violation of any of the health regulatory laws described above or any other laws that apply to us, we may be subject to penalties, including potentially significant criminal and civil and administrative penalties, damages, fines, disgorgement, imprisonment, exclusion from participation in government healthcare programs, contractual damages, reputational harm, administrative burdens, diminished profits and future earnings, and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our results of operations.

6

Environmental Regulation

Our operations are not subject to environmental regulation.

*Employees*

We have the following employees Thomas J. Wood, Chief Executive Officer, and John Lane, Chief Technology Officer. All other services are provided by independent contractors who are primarily paid with stock-based compensation. Personnel will be added on an as-needed basis and based on available funds.

**ITEM 1A. RISK FACTORS**

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and, as such, are not required to provide the information under this Item.

**ITEM 1B. UNRESOLVED STAFF COMMENTS**

Not applicable.

**ITEM 2. PROPERTIES**

We do not own any real estate property.

**ITEM 3. LEGAL PROCEEDINGS**

There are no material claims, actions, suits, proceedings, or investigations that are currently pending or, to the Company’s knowledge, threatened by or against the Company or respecting its operations or assets, or by or against any of the Company’s officers, directors, or affiliates.

**ITEM 4. MINE SAFETY DISCLOSURES**

None.

7

**PART II**

**ITEM 5. MARKET FOR REGISTRANT’S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES**

**Market Information**

Our common stock, par value $0.001 per share is currently listed to trade on the OTC Markets Group, OTCQB tier under the symbol “RMSL”. The range of reported high and reported low sales prices per share for our common stock for each fiscal quarter during 2022 and 2021, as reported by NASDAQ and the OTC Markets Group, is set forth below.

***Quarterly common stock Price Ranges***

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Fiscal Year 2022, Quarter Ended:** |  | **High** | |  |  | **Low** | |  |
| March 31, 2022 |  | $ | 0.027 |  |  | $ | 0.009 |  |
| June 30, 2022 |  | $ | 0.043 |  |  | $ | 0.009 |  |
| September 30, 2022 |  | $ | 0.036 |  |  | $ | 0.012 |  |
| December 31, 2022 |  | $ | 0.016 |  |  | $ | 0.009 |  |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Fiscal Year 2021, Quarter Ended:** |  | **High** | |  |  | **Low** | |  |
| March 31, 2021 |  | $ | 0.015 |  |  | $ | 0.004 |  |
| June 30, 2021 |  | $ | 0.047 |  |  | $ | 0.007 |  |
| September 30, 2021 |  | $ | 0.028 |  |  | $ | 0.009 |  |
| December 31, 2021 |  | $ | 0.033 |  |  | $ | 0.01 |  |

At April 17, 2023 there were approximately 155 holders of record of our common stock, although we believe that there are other persons who are beneficial owners of our common stock held in street name. The transfer agent and registrar for our common stock is Securities Stock Transfer, 2901 N Dallas Parkway, Suite 380, Plano, TX 75093.

**Recent Issuances of Unregistered Securities**

None.

**ITEM 6. [RESERVED]**

**ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

**Overview**

We are a Nevada corporation formed on June 6, 2007. Our headquarters are in Clearwater, FL. We have been engaged in our current business model since January 1, 2015.

We are a medical technology company focused on the development and commercialization of innovative and minimally invasive solutions for patients with obstructive sleep apnea. Our officers have 35 years of sleep-industry experience, including having been employed at sleep industry companies. Our goal is to develop sleep products that achieve optimum compliance and comfort for CPAP patients.

In May 2017, we applied for a patent with the US Patent and Trademark Office for our proprietary DeltaWave CPAP interface (“DeltaWave”), a new, innovative sleep apnea product to act as an interface for the delivery of CPAP therapy and other respiratory needs. DeltaWave is a nasal-pillow type interface designed to offer better comfort and, therefore, better compliance since it was specifically designed with unique airflow characteristics to enable patients with sleep apnea to breathe normally.

8

Our officers have 35 years of sleep-industry experience, including having been employed at sleep industry companies. Our officers invented the DeltaWave as an innovative new device to treat patients with sleep apnea. The patent-pending DeltaWave device is a nasal-pillows type interface that will result in better comfort and, therefore, better compliance since it was specifically designed with unique airflow characteristics to enable patients with sleep apnea to breathe normally.

A survey that appeared in DME Business found that 89% of patients stated that mask-interface comfort was their primary concern. The primary issue that we have addressed with the DeltaWave is the “work of breathing” component. We believe that our DeltaWave is designed to effectively address the stubborn issues that continue to affect a patient’s ability to comply with treatment, as follows: does not disrupt normal breathing mechanics; is not claustrophobic; causes zero work of breathing (WOB); minimizes or eliminates drying of the sinuses; uses less driving pressure; and allows users to feel safe and secure while sleeping.

Pending adequate financing, we plan to conduct clinical trials to test product effectiveness.

**Results of Operations**

***Year Ended December 31, 2022 Compared to the Year Ended December 31, 2021***

*Revenues*

We began to sell our ResPlus CPAP system in the second quarter of 2022. We recognized revenue and cost of goods of $320,719 and $248,426, respectively for the year ended December 31, 2022.

*Operating Expenses*

Professional fees were $115,135 and $82,043 for the years ended December 31, 2022 and 2021, respectively, an increase of $33,092, or 40.3%. Professional fees consist mostly of accounting, audit and legal fees. The increase is attributed to an increase in legal fees of approximately $27,000.

Development expense related to our DeltaWave CPAP system was $337,003 and $129,311 for the years ended December 31, 2022 and 2021, respectively, an increase of $207,722 or 160.6%. Development expense increased over the prior period as we work to bring our new products to market. Approximately 25% of development expense is related to product testing.

Compensation expense was $231,000 and $84,000 for the years ended December 31, 2022 and 2021, respectively, an increase of $147,000, or 175%. On April 1, 2022, compensation expense for our CEO and Chairman increased. Compensation also increased for our CTO.

Lease expense was $114,702 and $0 for the years ended December 31, 2022 and 2021, respectively. During the year ended December 31, 2022, we began to incur lease/rent expense for both our corporate office and short-term apartment rental for employees to stay at when in town.

General and administrative expense (“G&A”) was $492,295 and $130,334 for the years ended December 31, 2022 and 2021, respectively, an increase of $361,961 or 277.7%. During the current year we incurred additional expense related to the process of obtaining our 510k for DeltaWave (~$118,000), travel expense of $24,600 and other compensation expense of $59,950, We also incurred additional expense involved with moving our corporate headquarters and setting up our offices.

Total other expense for the year ended December 31, 2022, was $268,702. Other expense includes a loss in the change of fair value of $3,048, a loss on disposal of fixed assets of $28,264 and interest expense of $237,390 (includes $206,157 amortization of debt discount).

Total other expense for the year ended December 31, 2021, was $3,399,985. Other expense includes a loss in the change of fair value of $1,601,016, a loss on the issuance of convertible debt of $717,592, a penalty for default on convertible debt of $162,798 and interest expense of $918,579 (includes $813,619 amortization of debt discount).

9

*Net Loss*

For the year ended December 31, 2022, we had a net loss of $1,486,574 as compared to a net loss of $3,825,673 for the year ended December 31, 2021. Our net loss decreased due to the decrease in other expense during the period, which consists mostly of non-cash expense related to our convertible debt.

**Liquidity and Capital Resources**

*Cash flow from operations*

Cash used in operating activities for the year ended December 31, 2022 was $2,234,058 as compared to $349,995 of cash used in operating activities for the year ended December 31, 2021. During the current year the Company used more cash for activities related to bringing its product to market. Our largest cash expenditures were for inventory, an advance payment on our new lease and compensation expense.

*Cash Flows from Investing*

Cash used in investing activities for the purchase of equipment and tooling for the year ended December 31, 2022 was $122,262 as compared to $67,252 of cash used in investing activities for the year ended December 31, 2021.

*Cash Flows from Financing*

For the year ended December 31, 2022, we received $855,000 from the sale of common stock and repaid a $45,000 loan. We also received a short-term cash advance from a related party of $4,740 for the payment of expenses. For the year ended December 31, 2021, we received $591,300 from the issuance of convertible debt and $3,103,500 from the sale of common stock. We repaid $8,212 on our auto loan.

**Going Concern**

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has an accumulated deficit of $12,414,921 at December 31, 2022, had a net loss of $1,486,574 and net cash used in operating activities of $2,234,058 for the year ended December 31, 2022. The Company’s ability to raise additional capital through the future issuances of common stock and/or debt financing is unknown. The obtainment of additional financing, the successful development of the Company’s contemplated plan of operations, and its transition, ultimately, to the attainment of profitable operations are necessary for the Company to continue operations. These conditions and the ability to successfully resolve these factors over the next twelve months raise substantial doubt about the Company’s ability to continue as a going concern. The financial statements of the Company do not include any adjustments that may result from the outcome of these aforementioned uncertainties.

**Critical Accounting Policies**

Refer to Note 2 of our financial statements contained elsewhere in this Form 10-K for a summary of our critical accounting policies and recently adopting and issued accounting standards.

**Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

10

**ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**

**REMSLEEP HOLDINGS, INC.**

|  |  |  |
| --- | --- | --- |
| [Report of Independent Registered Public Accounting Firm (Firm ID # 05525)](#f_001) |  | F-2 |
|  |  |  |
| [Balance Sheets as of December 31, 2022 and 2021](#f_002) |  | F-4 |
|  |  |  |
| [Statements of Operations for the Years ended December 31, 2022 and 2021](#f_003) |  | F-5 |
|  |  |  |
| [Statement of Stockholders’ Equity (Deficit) for the Years ended December 31, 2022 and 2021](#f_004) |  | F-6 |
|  |  |  |
| [Statements of Cash Flows for the Years ended December 31, 2022 and 2021](#f_005) |  | F-7 |
|  |  |  |
| [Notes to Financial Statements](#f_006) |  | F-8 |

F-1

**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and Shareholders of REMSleep Holdings, Inc.

**Opinion on the Financial Statements**

We have audited the accompanying balance sheets of REMSleep Holdings, Inc. (“the Company”) as of December 31, 2022 and 2021, and the related statements of operations, stockholders’ equity (deficit), and cash flows for each of the years in the two-year period ended December 31, 2022, and the related notes (collectively referred to as the financial statements). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021 and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

**Going Concern**

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3 to the financial statements, the Company has an accumulated deficit, a net loss, and negative cash flows from operating activities. These factors, among others, raise substantial doubt about the Company’s ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

**Basis for Opinion**

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

F-2

**Critical Audit Matters**

The critical audit matters communicated below are matters arising from the current period audit of the financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

***Revenue Recognition – Refer to Note 2 to the financial statements.***

*Description of the Critical Audit Matter*

The Company recognizes revenue upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services. As this is the first year that the Company has earned revenue, we considered this to be a critical audit matter due to judgments required by management regarding revenue recognition.

*How the Critical Audit Matter Was Addressed in the Audit*

Our principal audit procedures related to revenue recognition included the following, among others:

|  |  |  |
| --- | --- | --- |
|  | ● | Evaluated management's revenue recognition policies and reviewed underlying documents for reasonableness of the application of ASC 606. |

|  |  |  |
| --- | --- | --- |
|  | ● | Obtained an understanding of the process utilized by management in determining when performance obligations are satisfied. |

|  |  |  |
| --- | --- | --- |
|  | ● | Substantively tested revenue transactions to an appropriate coverage based on risk assessments. |

We have served as the Company’s auditor since 2018.

Spokane, Washington

April 17, 2023

F-3

**REMSLEEP HOLDINGS, INC.  
BALANCE SHEETS**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **December 31,  2022** | |  |  | **December 31,  2021** | |  |
| **ASSETS** |  |  | |  |  |  | |  |
| Current assets: |  |  | |  |  |  | |  |
| Cash |  | $ | 1,841,988 |  |  | $ | 3,383,568 |  |
| Accounts receivable |  |  | 11,698 |  |  |  | — |  |
| Inventory |  |  | 1,056,007 |  |  |  | — |  |
| Total current assets |  |  | 2,909,693 |  |  |  | 3,383,568 |  |
|  |  |  |  |  |  |  |  |  |
| Other asset |  |  | 10,000 |  |  |  | 10,000 |  |
| Right of use asset |  |  | 303,227 |  |  |  | — |  |
| Property and equipment, net |  |  | 137,980 |  |  |  | 105,061 |  |
|  |  |  |  |  |  |  |  |  |
| Total Assets |  | $ | 3,360,900 |  |  | $ | 3,498,629 |  |
|  |  |  |  |  |  |  |  |  |
| **LIABILITIES AND STOCKHOLDERS’ EQUITY (DEFICIT)** |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Current Liabilities: |  |  |  |  |  |  |  |  |
| Accounts payable |  | $ | 54,845 |  |  | $ | 15,505 |  |
| Accrued compensation |  |  | 52,000 |  |  |  | 47,000 |  |
| Accrued interest |  |  | — |  |  |  | 41,851 |  |
| Accrued interest – related party |  |  | 90,119 |  |  |  | 67,505 |  |
| Convertible Notes, net of discount of $0 and $206,157 , respectively |  |  | — |  |  |  | 193,243 |  |
| Derivative Liability |  |  | — |  |  |  | 290,712 |  |
| Loan payable – related party |  |  | 179,191 |  |  |  | 179,191 |  |
| Due to a related party |  |  | 4,740 |  |  |  | — |  |
| Loans payable |  |  | — |  |  |  | 45,000 |  |
| Operating lease liability – current portion |  |  | 93,241 |  |  |  | — |  |
| Total current liabilities |  |  | 474,136 |  |  |  | 880,007 |  |
| Long Term Liabilities |  |  |  |  |  |  |  |  |
| Operating lease liability – net of current portion |  |  | 178,226 |  |  |  | — |  |
| Total Liabilities |  |  | 652,362 |  |  |  | 880,007 |  |
|  |  |  |  |  |  |  |  |  |
| Commitments and Contingencies |  |  | — |  |  |  | — |  |
|  |  |  |  |  |  |  |  |  |
| STOCKHOLDERS’ EQUITY (DEFICIT): |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Series A preferred stock, $0.001 par value, 5,000,000 shares authorized, 5,000,000 and issued and outstanding |  |  | 5, 000 |  |  |  | 5,000 |  |
| Series B preferred stock, $0.001 par value, 5,000,000 shares authorized, 500,000 shares issued |  |  | 500 |  |  |  | 500 |  |
| Series C preferred stock, $0.001 par value, 5,000,000 shares authorized, no shares issued |  |  | — |  |  |  | — |  |
| Common stock, $0.001 par value, 3,000,000,000  shares authorized, 1,461,616,601 and 1,234,008,735 shares issued and outstanding, respectively |  |  | 1,461,615 |  |  |  | 1,234,006 |  |
| Discount to common stock |  |  | (94,708 | ) |  |  | (94,708 | ) |
| Additional paid in capital |  |  | 13,751,052 |  |  |  | 11,865,439 |  |
| Accumulated Deficit |  |  | (12,414,921 | ) |  |  | (10,391,615 | ) |
| Total Stockholders’ Equity (Deficit) |  |  | 2,708,538 |  |  |  | 2,618,622 |  |
|  |  |  |  |  |  |  |  |  |
| Total Liabilities and Stockholders’ Equity (Deficit) |  | $ | 3,360,900 |  |  | $ | 3,498,629 |  |

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

F-4

**REMSLEEP HOLDINGS, INC.  
STATEMENTS OF OPERATIONS**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **For the Years Ended  December 31,** | | | | | |  |
|  |  | **2022** | |  |  | **2021** | |  |
|  |  |  | |  |  |  | |  |
| Revenue |  | $ | 320,719 |  |  | $ | — |  |
| Cost of goods sold |  |  | 248,426 |  |  |  | — |  |
| Gross margin |  |  | 72,293 |  |  |  | — |  |
|  |  |  |  |  |  |  |  |  |
| Operating Expenses: |  |  |  |  |  |  |  |  |
| Professional fees |  |  | 115,135 |  |  |  | 82,043 |  |
| Development expense |  |  | 337,033 |  |  |  | 129,311 |  |
| Compensation – related party |  |  | 231,000 |  |  |  | 84,000 |  |
| Lease expense |  |  | 114,702 |  |  |  | — |  |
| General and administrative |  |  | 492,295 |  |  |  | 130,334 |  |
|  |  |  |  |  |  |  |  |  |
| Total operating expenses |  |  | 1,290,165 |  |  |  | 425,688 |  |
|  |  |  |  |  |  |  |  |  |
| Loss from operations |  |  | (1,217,872 | ) |  |  | (425,688 | ) |
|  |  |  |  |  |  |  |  |  |
| Other expense: |  |  |  |  |  |  |  |  |
| Interest expense |  |  | (237,390 | ) |  |  | (918,579 | ) |
| Loss on disposal of fixed assets |  |  | (28,264 | ) |  |  | — |  |
| Default penalty of convertible note |  |  | — |  |  |  | (162,798 | ) |
| Loss on issuance of convertible debt |  |  | — |  |  |  | (717,592 | ) |
| Change in fair value of derivative |  |  | (3,048 | ) |  |  | (1,601,016 | ) |
| Total other expense |  |  | (268,702 | ) |  |  | (3,399,985 | ) |
|  |  |  |  |  |  |  |  |  |
| Loss before income taxes |  |  | (1,486,574 | ) |  |  | (3,825,673 | ) |
|  |  |  |  |  |  |  |  |  |
| Provision for income taxes |  |  | — |  |  |  | — |  |
|  |  |  |  |  |  |  |  |  |
| Net Loss |  | $ | (1,486,574 | ) |  | $ | (3,825,673 | ) |
| Deemed dividend |  |  | (536,732 | ) |  |  | — |  |
| Net Loss to Common Shareholders |  |  | (2,023,306 | ) |  |  | — |  |
|  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |
| Net loss per share, basic and diluted |  | $ | (0.00 | ) |  | $ | (0.01 | ) |
|  |  |  |  |  |  |  |  |  |
| Weighted average common shares outstanding, basic and diluted |  |  | 1,461,965,506 |  |  |  | 700,895,412 |  |

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

F-5

**REMSLEEP HOLDINGS, INC.  
STATEMENT OF STOCKHOLDERS’ EQUITY (DEFICIT)  
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Series A Preferred Stock** | | | | | |  |  | **Series B Preferred Stock** | | | | | |  |  | **Common Stock** | | | | | |  |  | **Discount to Common** | |  |  | **Additional  Paid-in** | |  |  | **Accumulated** | |  |  |  | |  |
|  |  | **Shares** | |  |  | **Amount** | |  |  | **Shares** | |  |  | **Amount** | |  |  | **Shares** | |  |  | **Amount** | |  |  | **Stock** | |  |  | **Capital** | |  |  | **Deficit** | |  |  | **Total** | |  |
| Balance, December 31, 2020 |  |  | 5,000,000 |  |  | $ | 5,000 |  |  |  | 500,000 |  |  | $ | 500 |  |  |  | 368,063,606 |  |  | $ | 368,061 |  |  | $ | — |  |  | $ | 5,321,885 |  |  | $ | (6,565,942 | ) |  | $ | (870,496 | ) |
| Common stock issued for conversion of debt |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |  | 408,666,436 |  |  |  | 408,666 |  |  |  | (94,708 | ) |  |  | 3,685,763 |  |  |  | — |  |  |  | 3,999,721 |  |
| Common stock issued for cash |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |  | 413,800,000 |  |  |  | 413,800 |  |  |  | — |  |  |  | 2,689,700 |  |  |  | — |  |  |  | 3,103,500 |  |
| Warrants converted to common stock |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |  | 43,478,693 |  |  |  | 43,479 |  |  |  | — |  |  |  | (43,479 | ) |  |  | — |  |  |  | — |  |
| Beneficial conversion feature |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |  | 211,570 |  |  |  | — |  |  |  | 211,570 |  |
| Net Loss |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |  | (3,825,673 | ) |  |  | (3,825,673 | ) |
| Balance, December 31, 2021 |  |  | 5,000,000 |  |  | $ | 5,000 |  |  |  | 500,000 |  |  | $ | 500 |  |  |  | 1,234,008,735 |  |  | $ | 1,234,006 |  |  | $ | (94,708 | ) |  | $ | 11,865,439 |  |  | $ | (10,391,615 | ) |  | $ | 2,618,622 |  |
| Common stock issued for conversion of debt |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |  | 43,479,662 |  |  |  | 43,481 |  |  |  | — |  |  |  | 678,009 |  |  |  | — |  |  |  | 721,490 |  |
| Common stock issued for cash |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |  | 114,000,000 |  |  |  | 114,000 |  |  |  | — |  |  |  | 741,000 |  |  |  | — |  |  |  | 855,000 |  |
| Warrants converted to common stock |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |  | 70,128,204 |  |  |  | 70,128 |  |  |  | — |  |  |  | (70,128 | ) |  |  | — |  |  |  | — |  |
| Warrant down round protection |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | 536,732 |  |  |  | (536,732 | ) |  |  | — |  |
| Net Loss |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |  | — |  |  |  | (1,486,574 | ) |  |  | (1,486,574 | ) |
| Balance, December 31, 2022 |  |  | 5,000,000 |  |  | $ | 5,000 |  |  |  | 500,000 |  |  | $ | 500 |  |  |  | 1,461,616,601 |  |  | $ | 1,461,615 |  |  | $ | (94,708 | ) |  | $ | 13,751,052 |  |  | $ | (12,414,921 | ) |  | $ | 2,708,538 |  |

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

F-6

**REMSLEEP HOLDINGS, INC.  
STATEMENTS OF CASH FLOWS**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **For the Years Ended December 31,** | | | | | |  |
|  |  | **2022** | |  |  | **2021** | |  |
| Cash Flows from Operating Activities: |  |  | |  |  |  | |  |
| Net loss |  | $ | (1,486,574 | ) |  | $ | (3,825,673 | ) |
| Adjustments to reconcile net loss to net cash used in operating activities: |  |  |  |  |  |  |  |  |
| Depreciation expense |  |  | 61,079 |  |  |  | 57,561 |  |
| Change in fair value of derivative |  |  | 3,048 |  |  |  | 1,601,016 |  |
| Discount amortization |  |  | 206,157 |  |  |  | 813,619 |  |
| Loss on issuance of convertible debt |  |  | — |  |  |  | 717,592 |  |
| Default penalty of convertible note |  |  | — |  |  |  | 162,798 |  |
| Loss on disposal of fixed assets |  |  | 28,264 |  |  |  | — |  |
| Operating lease expense |  |  | 15,732 |  |  |  | — |  |
| Changes in Operating Assets and Liabilities: |  |  |  |  |  |  |  |  |
| Accounts receivable |  |  | (11,698 | ) |  |  | — |  |
| Prepaids and other assets |  |  | (47,491 | ) |  |  | — |  |
| Inventory |  |  | (1,056,007 | ) |  |  | 11,064 |  |
| Accounts payable |  |  | 39,339 |  |  |  | (4,730 | ) |
| Accrued compensation – related party |  |  | 5,000 |  |  |  | 12,000 |  |
| Accrued interest |  |  | (13,521 | ) |  |  | 82,174 |  |
| Accrued interest – related party |  |  | 22,614 |  |  |  | 22,584 |  |
| Net cash used by operating activities |  |  | (2,234,058 | ) |  |  | (349,995 | ) |
|  |  |  |  |  |  |  |  |  |
| Cash Flows from Investing Activities: |  |  |  |  |  |  |  |  |
| Purchase of property and equipment |  |  | (122,262 | ) |  |  | (67,252 | ) |
| Net cash used by investing activities |  |  | (122,262 | ) |  |  | (67,252 | ) |
|  |  |  |  |  |  |  |  |  |
| Cash Flows from Financing Activities: |  |  |  |  |  |  |  |  |
| Repayment of loans |  |  | (45,000 | ) |  |  | (8,212 | ) |
| Proceeds from convertible notes payable |  |  | — |  |  |  | 591,300 |  |
| Cash advance – related party |  |  | 4,740 |  |  |  | — |  |
| Proceeds from sale of common stock |  |  | 855,000 |  |  |  | 3,103,500 |  |
| Net cash provided by financing activities |  |  | 814,740 |  |  |  | 3,686,588 |  |
|  |  |  |  |  |  |  |  |  |
| Net change in cash |  |  | (1,541,580 | ) |  |  | 3,269,341 |  |
| Cash at beginning of the year |  |  | 3,383,568 |  |  |  | 114,227 |  |
| Cash at end of the year |  | $ | 1,841,988 |  |  | $ | 3,383,568 |  |
|  |  |  |  |  |  |  |  |  |
| Supplemental cash flow information: |  |  |  |  |  |  |  |  |
| Interest paid in cash |  | $ | 22,140 |  |  | $ | — |  |
| Taxes paid |  | $ | — |  |  | $ | — |  |
|  |  |  |  |  |  |  |  |  |
| Supplemental non-cash disclosure: |  |  |  |  |  |  |  |  |
| Common stock issued for conversion of note payable principal and accrued interest |  | $ | 427,730 |  |  | $ | 724,359 |  |
| Establish right of use asset |  | $ | 328,803 |  |  | $ | — |  |

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

F-7

**REMSLEEP HOLDINGS, INC.  
NOTES TO FINANCIAL STATEMENTS  
DECEMBER 31, 2022**

**NOTE 1 - BACKGROUND**

*Business Activity*

REMSleep Holdings, Inc., (the “Company”) was incorporated in the State of Nevada on June 6, 2007. On January 5, 2015 the name of the Company was changed to REMSleep Holdings, Inc. and the business model was changed to reflect the new direction of the Company; to develop and distribute products to help people affected by sleep apnea. On May 30, 2015 REMSleep LLC was formally merged into REMSleep Holdings, Inc.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Basis of Presentation*

The Company’s financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

*Use of Estimates*

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

*Concentrations of Credit Risk*

We maintain our cash in bank deposit accounts, the balances of which at times may exceed federally insured limits. We continually monitor our banking relationships and consequently have not experienced any losses in our accounts. At times, such deposits may be in excess of the Federal Deposit Insurance Corporation insurable amount (“FDIC”). As of December 31, 2022, the Company had $1,591,988 of cash above the FDIC’s $250,000 coverage limit.

*Cash equivalents*

The Company considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. There were no cash equivalents for the years ended December 31, 2022 or 2021.

*Property and Equipment*

Fixed assets are carried at the lower of cost or net realizable value. All fixed assets with a cost of $2,000 or greater are capitalized. Depreciation of property and equipment is calculated using the straight-line method over the estimated useful lives of the assets, which range from three to five years. Leasehold improvements are amortized over the lesser of the remaining term of the lease or the estimated useful life of the asset. Major betterments that extend the useful lives of assets are also capitalized. Normal maintenance and repairs are charged to expense as incurred. When assets are sold or otherwise disposed of, the cost and accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in operations.

*Basic and Diluted Earnings Per Share*

Net income (loss) per common share is computed pursuant to section 260-10-45 of the FASB Accounting Standards Codification.  Basic net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period.  Diluted net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock and potentially outstanding shares of common stock during the period. The weighted average number of common shares outstanding and potentially outstanding common shares assumes that the Company incorporated as of the beginning of the first period presented. Diluted amounts are not presented when the effect of the computations are anti-dilutive due to the losses incurred. Accordingly, there is no difference in the amounts presented for basic and diluted loss per share.

F-8

As of December 31, 2022, the Company had approximately 172,500,000 potentially dilutive shares of common stock warrants, 5,000,000 shares from Series A preferred stock and 50,000,000 from Series B preferred stock.

As of December 31, 2021, the Company had approximately 46,972,920 of potentially dilutive shares of common stock from convertible debt, 190,064,171 potentially dilutive shares of common stock warrants, 5,000,000 shares from Series A preferred stock and 50,000,000 from Series B preferred stock.

*Stock-based Compensation*

In June 2018, the FASB issued ASU 2018-07, *Compensation – Stock Compensation (Topic 718): Improvements to Nonemployee Share-Based Payment Accounting.* ASU 2018-07 allows companies to account for nonemployee awards in the same manner as employee awards. The guidance is effective for fiscal years beginning after December 15, 2018, and interim periods within those annual periods.

*Fair Value of Financial Instruments*

The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and paragraph 820-10-35-37 of the FASB Accounting Standards Codification (“Paragraph 820-10-35-37”) to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (U.S. GAAP), and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:

|  |  |  |
| --- | --- | --- |
|  | Level 1: | Quoted market prices available in active markets for identical assets or liabilities as of the reporting date. |
|  |  |  |
|  | Level 2: | Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. |
|  |  |  |
|  | Level 3: | Pricing inputs that are generally unobservable inputs and not corroborated by market data. |

The carrying amount of the Company’s financial assets and liabilities, such as cash, prepaid expenses and accrued expenses approximate their fair value because of the short maturity of those instruments. The Company’s notes payable approximates the fair value of such instruments as the notes bear interest rates that are consistent with current market rates.

The following table classifies the Company’s liabilities measured at fair value on a recurring basis into the fair value hierarchy as of December 31, 2022 and 2021:

December 31, 2022:

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Description** |  |  | **Level 1** |  |  |  | **Level 2** |  |  |  | **Level 3** |  |
| Derivative |  | $ | — |  |  | $ | — |  |  | $ | — |  |
| Total |  | $ | — |  |  | $ | — |  |  | $ | — |  |

December 31, 2021:

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Description** |  | **Level 1** | |  |  | **Level 2** | |  |  | **Level 3** | |  |
| Derivative |  | $ | — |  |  | $ | — |  |  | $ | 290,712 |  |
| Total |  | $ | — |  |  | $ | — |  |  | $ | 290,712 |  |

F-9

*Revenue Recognition*

The Company recognizes revenue under ASC 606, “Revenue from Contracts with Customers” (“ASC 606”). The Company determines revenue recognition through the following steps:

|  |  |  |
| --- | --- | --- |
|  | ● | Identification of a contract with a customer; |
|  |  |  |
|  | ● | Identification of the performance obligations in the contract; |
|  |  |  |
|  | ● | Determination of the transaction price; |
|  |  |  |
|  | ● | Allocation of the transaction price to the performance obligations in the contract; and |
|  |  |  |
|  | ● | Recognition of revenue when or as the performance obligations are satisfied. |

All orders are received online at which time payment is made. When payment is approved the product is shipped. When the product ships control of the promised goods is transferred to the customers and the revenue is recognized.

*Warranties*

The Company is currently selling its ResPlus Auto CPAP Machine (“ResPlus”). The ResPlus is imported by the Company and sold primarily to Durable Medical Equipment companies to patients with sleep apnea. The manufacturer warrants the unit for 2 years parts and labor. During the last twelve months the Company has received back eight units for warranty repair, out of approximately 1,000 units sold. As of December 31, 2022, there is no accrual for warranty expense due to the low cost of replacement to date. If returns are to increase, management will determine if it needs to account for the cost of returns and establish a warranty accrual.

*Accounts Receivable*

Revenues that have been recognized but not yet received are recorded as accounts receivable. Losses on receivables will be recognized when it is more likely than not that a receivable will not be collected. An allowance for estimated uncollectible amounts will be recognized to reduce the amount of receivables to its net realizable value when needed.

*Inventories*

Inventories are stated at the lower of cost or net realizable value. Inventory on hand consists of finished goods purchased from third parties. When there is evidence that the inventory’s value is less than original cost, the inventory is reduced to market value. We determine market value on current resale amounts and whether technological obsolescence exists.

*Recently Adopted Accounting Pronouncements*

In August 2020, the FASB issued ASU 2020-06**,***Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity’s Own Equity (Subtopic 815-40)—Accounting for Convertible Instruments and Contracts in an Entity’s Own Equity.*ASU 2020-06 reduces the number of accounting models for convertible debt instruments and convertible preferred stock. For convertible instruments with conversion features that are not required to be accounted for as derivatives under Topic 815, *Derivatives and Hedging*, or that do not result in substantial premiums accounted for as paid-in capital, the embedded conversion features no longer are separated from the host contract. ASU 2020-06 also removes certain conditions that should be considered in the derivatives scope exception evaluation under Subtopic 815-40, *Derivatives and Hedging—Contracts in Entity’s Own Equity*, and clarify the scope and certain requirements under Subtopic 815-40. In addition, ASU 2020-06 improves the guidance related to the disclosures and earnings-per-share (EPS) for convertible instruments and contract in entity’s own equity. ASU 2020-06 is effective for public business entities that meet the definition of a Securities and Exchange Commission (SEC) filer, excluding entities eligible to be smaller reporting companies as defined by the SEC, for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years . The Company has adopted ASU 2020-06, with no material impact to its financial statements.

The Company has implemented all new accounting pronouncements that are in effect.  These pronouncements did not have any material impact on the financial statements unless otherwise disclosed, and the Company does not believe that there are any other new accounting pronouncements that have been issued that might have a material impact on its financial position or results of operations.

F-10

**NOTE 3 - GOING CONCERN**

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has an accumulated deficit of $12,414,921 at December 31, 2022, had a net loss of $1,486,574 and net cash used in operating activities of $2,234,058 for the year ended December 31, 2022. The Company’s ability to raise additional capital through the future issuances of common stock and/or debt financing is unknown. The obtainment of additional financing, the successful development of the Company’s contemplated plan of operations, and its transition, ultimately, to the attainment of profitable operations are necessary for the Company to continue operations. These conditions and the ability to successfully resolve these factors over the next twelve months raise substantial doubt about the Company’s ability to continue as a going concern. The financial statements of the Company do not include any adjustments that may result from the outcome of these aforementioned uncertainties.

The Company has completed its initial product development and has begun selling its product in Q2 of 2022. In addition, the Company has been in the process of obtaining its 510k for its DeltaWave product. FDA approval is expected by the fourth quarter of 2023. The Company will continue to finance its operations through debt and/or equity financing as needed.

The industry in which we operate depends heavily upon our ability to obtain raw materials and manufacture our product as well as the overall level of consumer and business spending. We currently use only one supplier for most of our products. A sustained deterioration in general economic conditions (including distress in financial markets, turmoil in specific economies around the world, public health crises, and additional government intervention), particularly in the United States, may have a negative financial impact to our Company. Adverse conditions as a result of the global COVID-19 outbreak, have and may continue to impact our manufacturing processes and ultimately our ability to sell our product.

**NOTE 4 - PROPERTY & EQUIPMENT**

Long lived assets, including property and equipment and certain intangible assets to be held and used by the Company are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. Impairment losses are recognized if expected future cash flows of the related assets are less than their carrying values. Measurement of an impairment loss is based on the fair value of the asset. Long-lived assets and certain identifiable intangibles to be disposed of are reported at the lower of carrying amount or fair value less cost to sell.

Property and Equipment and intangible assets are first recorded at cost. Depreciation and/or amortization is computed using the straight-line method over the estimated useful lives of the various classes of assets as follows between three and five years.

Maintenance and repair expenses, as incurred, are charged to expense. Betterments and renewals are capitalized in plant and equipment accounts. Cost and accumulated depreciation applicable to items replaced or retired are eliminated from the related accounts with any gain or loss on the disposition included as income.

Assets stated at cost, less accumulated depreciation consisted of the following:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **December 31, 2022** | |  |  | **December 31, 2021** | |  |
| Furniture/fixtures |  | $ | 39,746 |  |  | $ | 14,904 |  |
| Office equipment |  |  | 43,780 |  |  |  | 14,522 |  |
| Automobile |  |  | 29,905 |  |  |  | 29,905 |  |
| Tooling/Molds |  |  | 86,005 |  |  |  | 176,990 |  |
| Less: accumulated depreciation |  |  | (61,456 | ) |  |  | (131,260 | ) |
| Fixed assets, net |  | $ | 137,980 |  |  | $ | 105,061 |  |

*Depreciation expense*

Depreciation expense for the years ended December 31, 2022 and 2021 was $61,079 and $57,561, respectively.

During the year ended December 31, 2022, the Company disposed of certain property and equipment it was no longer using, resulting in a loss on disposal of $28,264.

F-11

**NOTE 5 - LOANS PAYABLE**

On October 24, 2017, the Company was notified that a petition had been filed in the Iowa District Court for Polk County by a Mr. John M. Wesson for failure to repay a loan. Mr. Wesson had loaned the Company $30,000 and $20,000 on October 24, 2012 and June 12, 2013, respectively. The loans were to accrue interest at 5%. On April 26, 2018, the Company agreed to repay the loan in full including accrued interest and $5,000 for legal fees. As of December 31, 2021, there is $45,000 and $21,549 of principal and interest due on this loan. On June 9, 2022, the Company repaid this loan in full.

**NOTE 6 - CONVERTIBLE NOTES**

The following table summarizes the convertible notes and related activity as of December 31, 2022:

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Note Holder** |  | **Date** |  | **Maturity Date** |  | **Interest** | |  |  | **Balance December 31, 2021** | |  |  | **Additions** | |  |  | **Conversions/  Repayments** | |  |  | **Balance December 31, 2022** | |  |
| Granite Global Investments Ltd |  | 4/7/2021 |  | 4/7/2022 |  |  | 10 | % |  | $ | 36,500 |  |  | $ | — |  |  | $ | (36,500 | ) |  | $ | — |  |
| Granite Global Investments Ltd |  | 4/9/2021 |  | 4/9/2022 |  |  | 10 | % |  | $ | 100,000 |  |  | $ | — |  |  | $ | (100,000 | ) |  | $ | — |  |
| Power Up Lending Group LTD |  | 7/22/2021 |  | 7/22/2022 |  |  | 10 | % |  | $ | 58,850 |  |  | $ | — |  |  | $ | (58,850 | ) |  | $ | — |  |
| Power Up Lending Group LTD |  | 8/26/2021 |  | 8/26/2022 |  |  | 10 | % |  | $ | 58,850 |  |  | $ | — |  |  | $ | (58,850 | ) |  | $ | — |  |
| Power Up Lending Group LTD |  | 9/22/2021 |  | 9/22/2022 |  |  | 10 | % |  | $ | 58,850 |  |  | $ | — |  |  | $ | (58,850 | ) |  | $ | — |  |
| Power Up Lending Group LTD |  | 10/12/2021 |  | 10/12/2022 |  |  | 10 | % |  | $ | 86,350 |  |  | $ | — |  |  | $ | (86,350 | ) |  | $ |  |  |
|  |  |  |  |  |  |  | Total |  |  | $ | 399,400 |  |  | $ | — |  |  | $ | (339,400 | ) |  | $ | — |  |
|  |  |  |  | Less debt discount | | | |  |  |  | (206,157 | ) |  |  |  |  |  |  |  |  |  |  | — |  |
|  |  |  |  |  |  |  |  |  |  | $ | 193,243 |  |  |  |  |  |  |  |  |  |  | $ | — |  |

A summary of the activity of the derivative liability for the notes above is as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Balance at December 31, 2020 |  | $ | 700,719 |  |
| Increase to derivative due to new issuances |  |  | 1,087,302 |  |
| Decrease to derivative due to conversion/repayments |  |  | (3,098,325 | ) |
| Derivative loss due to mark to market adjustment |  |  | 1,601,016 |  |
| Balance at December 31, 2021 |  | $ | 290,712 |  |
| Decrease to derivative due to conversion/repayments |  |  | (287,664 | ) |
| Derivative loss due to mark to market adjustment |  |  | (3,048 | ) |
| Balance at December 31, 2022 |  | $ | — |  |

A summary of quantitative information about significant unobservable inputs (Level 3 inputs) used in measuring the Company’s derivative liability that are categorized within Level 3 of the fair value hierarchy at the time of conversion is as follows:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Inputs** |  |  |  |  |
| Stock price |  | $ | 0.01 – 0.0175 |  |
| Conversion price |  | $ | 0.0097 – 0.0175 |  |
| Volatility (annual) |  |  | 169.37% – 177.63% |  |
| Risk-free rate |  |  | .39% – 1.25% |  |
| Dividend rate |  |  | – |  |
| Years to maturity |  |  | .25 – .50 |  |

The development and determination of the unobservable inputs for Level 3 fair value measurements and fair value calculations are the responsibility of the Company’s management.

F-12

**NOTE 7 - RELATED PARTY TRANSACTIONS**

The Company has received support from its Chairman, Russell Bird through a series of loans prior to 2019. These loans are unsecured, and due on demand. As of December 31, 2022 and 2021, the balance due on these loans is $179,191 and $179,191, respectively. Beginning on January 1, 2019, the balance due accrues interest at 12.5%. As of December 31, 2022, total accrued interest is $90,119. During the third quarter Mr. Bird, advanced the Company an additional $1,523. The advance was paid back as of December 31, 2022.

The Company executed a new employment agreement with Mr. Wood on April 1, 2022. Per the terms of the agreement Mr. Wood is to be compensated $8,000 per month. As of December 31, 2022 and 2021, there is $2,000 and $2,000 of accrued compensation, respectively, due to Mr. Wood. During the years ended December 31, 2022 and 2021, cash payments of $84,000 and $48,000, respectively, were paid to Mr. Wood.

The Company executed a new employment agreement with its Chairman, Russell Bird, on April 1, 2022. Per the terms of the agreement, which is effective for one year, Mr. Bird is to be compensated $8,000 per month. As of December 31, 2022 and 2021, there is $50,000 and $45,000 of accrued compensation, respectively, due to Mr. Bird. During the years ended December 31, 2022 and 2021, cash payments of $76,000 and $24,000, respectively, were paid to Mr. Bird.

The Company has entered into an at-will consulting agreement with Jonathan Lane to serve as Chief Technology Officer. During the years ended December 31, 2022 and 2021, the Company made cash payments to Mr. Lane of $66,000 and $26,000, respectively.

During the years ended December 31, 2022 and 2021, the Company paid $9,500  and $9,000, respectively, to the brother of the CEO for services related to development of the Company’s product.

During the years ended December 31, 2022 and 2021, the Company paid $1,000 and $12,000, respectively, to the son of the CEO for website design services.

**NOTE 8 - OPERATING LEASES**

The Company entered into a Lease Agreement (the “Lease”) with 14175 Icot Blvd, LLC (the “Lessor”), effective May 1, 2022, relating to approximately 9,677 square feet of property located at 14175 Icot Blvd, Clearwater, FL 33760. The term of the Lease is for thirty-six (36) months commencing May 1, 2022. The monthly base rent, including tax is $8,686.71 for the first twelve (12) months increasing thereafter to $9,034.17 for the next 12 months and to $12,287.63 for the last 12 months. The Company paid $69,494 of advanced rent. The advance rent is to be allocated equally over the first two years of the lease.

In February 2016, the FASB issued Accounting Standard Update (“ASU”) 2016-02, *Leases* (Topic 842), which superseded guidance in ASC 840, *Leases*. We account for short-term leases, those lasting fewer than 12 months, using the practical expedient as outlined in the guidance, which does not include recording such leases on the balance sheet.

Adoption of Accounting Standard Update (“ASU”) 2016-02, *Leases* (Topic 842), resulted in recording an initial right-of-use (“ROU”) assets and operating lease liabilities of $328,803 on May 1, 2022.

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Asset** |  | **Balance Sheet Classification** |  | **December 31, 2022** | |  |
| Operating lease asset |  | Right of use asset |  | $ | 303,227 |  |
| Total lease asset |  |  |  | $ | 303,227 |  |
|  |  |  |  |  |  |  |
| Liability |  |  |  |  |  |  |
| Operating lease liability – current portion |  | Current operating lease liability |  | $ | 93,241 |  |
| Operating lease liability – noncurrent portion |  | Long-term operating lease liability |  |  | 178,226 |  |
| Total lease liability |  |  |  | $ | 271,467 |  |

F-13

Lease obligations at December 31, 2022 consisted of the following:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **For the year ended December 31:** |  |  | |  |
| 2023 |  | $ | 107,020 |  |
| 2024 |  |  | 134,438 |  |
| 2025 |  |  | 49,151 |  |
| Total payments |  | $ | 290,609 |  |
| Amount representing interest |  | $ | (19,142 | ) |
| Lease obligation, net |  |  | 271,467 |  |
| Less current portion |  |  | (93,241 | ) |
| Lease obligation – long term |  | $ | 178,226 |  |

The operating lease expense for the above agreement for the year ended December 31, 2022 was $69,494 which consisted of amortization expense of $73,067, $23,165 of prepaid rent and interest expense of $15,732.

**NOTE 9 - COMMON STOCK**

During the year ended December 31, 2021, Diamond Investments converted $110,250 of principal and $5,059 of interest, into 29,954,167 shares of common stock.

During the year ended December 31, 2021, Granite Global Value converted $229,798 and $43,164 of principal and interest, respectively, into 340,735,898 shares of common stock.

During the year ended December 31, 2021, Power Up Lending Group LTD converted $321,475 and $14,613 of principal and interest, respectively, into 37,976,371 shares of common stock.

During the year ended December 31, 2021, the Company issued 43,478,695 shares of common stock for the conversion of warrants.

During the year ended December 31, 2021, the Company sold 413,800,000 shares of common stock for total cash proceeds of $3,103,500. The shares were sold pursuant to its Tier 2 of Regulation A Offering Statement.

During Q1 2022, Granite Global Value converted $152,880 of principal and interest into 16,146,666 shares of common stock.

During Q1 2022, the Company issued 70,128,204 shares of common stock for the conversion of warrants.

During Q1 2022, the Company sold 114,000,000 shares of common stock for total cash proceeds of $855,000. The shares were sold pursuant to its Tier 2 of Regulation A Offering Statement.

During Q1 and Q2  2022, Power Up Lending Group LTD converted $274,850 of principal and interest into 27,332,996 shares of common stock.

**NOTE 10 - PREFERRED STOCK**

The Company is currently authorized to issue 5,000,000 shares of Series A Preferred Stock, par value $0.001 per share value with 1:25 voting rights. The Series A Preferred Stock ranks equal to the common stock on liquidation, pays no dividend and is convertible to common stock for one share of common for one share of Series A Preferred Stock.

The Company is currently authorized to issue 5,000,000 shares of Series B Preferred Stock, par value $0.001 per share. Each share of Series B Preferred Stock has a 1:100 voting right and is convertible into 100 shares of common stock. No dividends will be paid and in the event of liquidation all shares of Series B will automatically convert into common stock. There are 500,000 shares of Series B Preferred Stock issued and outstanding.

The Company is currently authorized to issue 5,000,000 shares of Series C Preferred Stock, par value $0.001 per share value. Each share of Series C Preferred Stock has a 1:50 voting right and is convertible into 50 shares of common stock. No dividends will be paid and in the event of liquidation all shares of Series C will automatically convert into common stock. There are no shares of Series C Preferred Stock issued and outstanding.

F-14

**NOTE 11 - INCOME TAX**

Deferred taxes are provided on a liability method whereby deferred tax assets are recognized for deductible temporary differences and operating loss and tax credit carry forwards and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The Company has evaluated Staff Accounting Bulletin No. 118 regarding the impact of the decreased tax rates of the Tax Cuts & Jobs Act. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment. The U.S. federal income tax rate of 21% is being used.

The provision for Federal income tax consists of the following December 31:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **2022** | |  |  | **2021** | |  |
| Federal income tax benefit attributable to: |  |  | |  |  |  | |  |
| Current Operations |  | $ | 312,000 |  |  | $ | 803,000 |  |
| Less: valuation allowance |  |  | (312,000 | ) |  |  | (803,000 | ) |
| Net provision for Federal income taxes |  | $ | - |  |  | $ | - |  |

The cumulative tax effect at the expected rate of 21% of significant items comprising our net deferred tax amount is as follows:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **2022** | |  |  | **2021** | |  |
| Deferred tax asset attributable to: |  |  | |  |  |  | |  |
| Net operating loss carryover |  | $ | 2,494,000 |  |  | $ | 2,182,000 |  |
| Less: valuation allowance |  |  | (2,494,000 | ) |  |  | (2,182,000 | ) |
| Net deferred tax asset |  | $ | - |  |  | $ | - |  |

At December 31, 2022, the Company had net operating loss carry forwards of approximately $2,494,000 that may be offset against future taxable income. NOLs from tax years up to 2017 can be carried forward twenty years. Under the CARES Act, the Company carry forward NOLs indefinitely for NOLs generated in a tax year beginning after 2017, that remain after they are carried back to tax years in the five-year carryback period. No tax benefit has been reported in the December 31, 2022 financial statements since the potential tax benefit is offset by a valuation allowance of the same amount.

Due to the change in ownership provisions of the Tax Reform Act of 1986, net operating loss carry forwards for Federal Income tax reporting purposes are subject to annual limitations. Should a change in ownership occur, net operating loss carry forwards may be limited as to use in future years. With few exceptions, the Company is no longer subject to U.S. federal, state and local income tax examinations by tax authorities for years before 2016.

F-15

**NOTE 12 – WARRANTS**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  | **Number of Warrants** | |  |  | **Weighted Average Exercise Price** | |  |  | **Weighted Average Remaining Contract Term** | |  |  | **Aggregate Intrinsic Value** | |  |
| Exercisable at December 31, 2020 |  |  | 15,974,026 |  |  | $ | 0.00385 |  |  |  | 2.06 |  |  | $ | — |  |
| Granted |  |  | 201,500,000 |  |  | $ | 0.0029 |  |  |  | 4.62 |  |  | $ | — |  |
| Expired |  |  | — |  |  | $ | — |  |  |  | — |  |  | $ | — |  |
| Increased for adjustment (1) |  |  | 12,012,987 |  |  | $ | — |  |  |  | — |  |  | $ | — |  |
| Exercised |  |  | (2,987,013 | ) |  | $ | — |  |  |  | — |  |  | $ | — |  |
| Exercisable at December 31, 2021 |  |  | 226,500,000 |  |  | $ | 0.0013 |  |  |  | 3.78 |  |  | $ | — |  |
| Granted (1) |  |  | 6,000,000 |  |  | $ | — |  |  |  | — |  |  | $ | — |  |
| Expired |  |  | — |  |  | $ | — |  |  |  | — |  |  | $ | — |  |
| Exercised |  |  | (60,000,000 | ) |  | $ | — |  |  |  | — |  |  | $ | — |  |
| Exercisable at December 31, 2022 |  |  | 172,500,000 |  |  | $ | 0.0104 |  |  |  | 3.14 |  |  | $ | 1,665,500 |  |

|  |  |
| --- | --- |
| (1) | The outstanding warrants include an anti-dilutive clause requiring adjustment to the exercise price for any reason outlined in the agreement. The number of warrant shares is increased so that the aggregated exercise price is equal to the original exercise price. The fair value of any additional warrants is recognized as a deemed dividend. |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Range of Exercise Prices** | |  |  | **Number Outstanding 12/31/2022** | |  |  | **Weighted Average Remaining Contractual Life** | |  |  | **Weighted Average Exercise Price** | |  |
| $ | 0.002 – 0.014 |  |  |  | 166,500,000 |  |  |  | 3.14 years |  |  | $ | 0.0117 |  |

**NOTE 13 – COMMITMENTS AND CONTINGENCIES**

The Company has been in the process of obtaining its 510k for DeltaWave. This requires a myriad of tests to prove to the FDA that the device is safe and effective. The company has diligently carried out these tests through independent testing labs. There have been no issues aside from a negative result on a cytotoxicity test due to incorrect procedures performed by a third-party lab. This roadblock has required the company to perform a retest. The company has failed the retest due to what is believed to be a faulty analysis by the testing company. The company believes they can narrow down the exact part of the device that is failing the test and quickly resolve this matter. The company has engaged a new testing company appropriately suited for the Company’s specific testing requirements.  Testing is expected to be completed in the second quarter.  The 510K will be submitted immediately after testing is completed.

**NOTE 14 - SUBSEQUENT EVENTS**

In accordance with SFAS 165 (ASC 855-10) management has performed an evaluation of subsequent events through the date that the financial statements were available to be issued and has determined that it does not have any material subsequent events to disclose in these financial statements.

F-16

**ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE**

None.

**ITEM 9A. CONTROLS AND PROCEDURES**

*Management’s Report Disclosure Controls and Procedures*

During the fourth quarter of the year ended December 31, 2022, we carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)). Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of the period covered in this report, our disclosure controls and procedures were not effective to ensure that information required to be disclosed in reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the required time periods specified in the Commission’s rules and forms and is accumulated and communicated to our management, including our principal executive officer and principal financial officer, as appropriate to allow timely decisions regarding required disclosure.

Our principal executive officer and principal financial officer, do not expect that our disclosure controls and procedures or our internal controls will prevent all error or fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected.

To address the material weaknesses, we performed additional analysis and other post-closing procedures in an effort to ensure our financial statements included in this annual report have been prepared in accordance with generally accepted accounting principles. In addition, we engaged accounting consultants to assist in the preparation of our financial statements. Accordingly, management believes that the financial statements included in this report fairly present in all material respects our financial condition, results of operations and cash flows for the periods presented.

*Management’s Report on Internal Control over Financial Reporting*

Internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) is a process designed by, or under the supervision of, our principal executive and principal financial officers, and effected by our board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. The management is responsible for establishing and maintaining adequate internal control over our financial reporting. Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting using the *Internal Control – Integrated Framework (2013)* developed by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our internal control over financial reporting were not effective as of December 31, 2022.

11

We are aware of the following material weaknesses in internal control that could adversely affect the Company’s ability to record, process, summarize and report financial data:

|  |  |  |
| --- | --- | --- |
|  | ● | Due to our size and limited resources, we currently do not employ the appropriate accounting personnel to ensure (a) we maintain proper segregation of duties, (b) that all transactions are entered timely and accurately, and (c) we properly account for complex or unusual transactions |
|  |  |  |
|  | ● | Due to our size and scope of operations, we currently do not have an independent audit committee in place |
|  |  |  |
|  | ● | Due to our size and limited resources, we have not properly documented a complete assessment of the effectiveness of the design and operation of our internal control over financial reporting. |

*Inherent limitations on effectiveness of controls*

Internal control over financial reporting has inherent limitations, which include but is not limited to the use of independent professionals for advice and guidance, interpretation of existing and/or changing rules and principles, segregation of management duties, scale of organization, and personnel factors. Internal control over financial reporting is a process, which involves human diligence and compliance and is subject to lapses in judgment and breakdowns resulting from human failures. Internal control over financial reporting also can be circumvented by collusion or improper management override. Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements on a timely basis, however these inherent limitations are known features of the financial reporting process and it is possible to design into the process safeguards to reduce, though not eliminate, this risk. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

*Changes in Internal Control over Financial Reporting*

There have been no changes in our internal controls over financial reporting that occurred during the fourth quarter of the year ended December 31, 2022, that have materially or are reasonably likely to materially affect, our internal controls over financial reporting.

**ITEM 9B. OTHER INFORMATION**

None

**Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS**

*None.*

12

**PART III**

**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE**

**Directors and Executive Officers**

The names of our director and executive officers as of December 31, 2022, their ages, positions, and biographies are set forth below. Our executive officers are appointed by, and serve at the discretion of, our board of directors.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Name** |  | **Age** |  | **Position(s)** |
| Russell Bird |  | 74 |  | Chairman and Director |
| Tom Wood |  | 76 |  | Chief Executive Officer and Director |
| Jonathan B. Lane |  | 62 |  | Vice President and Chief Technology Officer |

***Russell F. Bird*** has been our Chairman and Director since January 1, 2015 and our President since January 1, 2019. From year to year, he operated businesses that offered sleep apnea interfaces, devices, and other respiratory equipment and supplies. From May 23, 2013 to the present, he has been the Managing Member of REMSleep, LLC, an Iowa limited liability company. In 1979, he founded Medical Gases Australia, a medical manufacturing and distribution firm that specializing in respiratory and other health products. Medical Gases Australia placed the first patients on CPAP therapy. He then started Medical Industries of America in 1985, a medical manufacturing and distribution firm specializing in respiratory and other health products.

***Thomas J. Wood*** has been our Chief Executive Officer and Director effective January 1, 2015. From May 23, 2013 to the present, he has been the Managing Member of REMSleep, LLC, an Iowa limited liability company. Thomas J. Wood has been awarded several U.S. patents in the area of sleep apnea. He is the inventor and developer of Nasal Aire, which won the 2004 Frost and Sullivan Award for Product Innovation. His US Patents also include the Nasal Aire II and Petite Nasal Aire. Tom has 25 years of experience as a respiratory therapist in the ICU at Baylor Medical Center and Parkland Memorial hospitals in Dallas, Texas. He also worked for two years with the Muscular Dystrophy Association, responsible for respiratory care for patients with Amyotrophic Lateral Sclerosis.

***Jonathan B. Lane*** has been serving as the Chief Technology Officer of the Company since July 2018 and Vice President since January 2019. Mr. Lane has 35 years of design and engineering experience. He was the CEO/Founder of Badencorp from 1992 to 2018, and Director of Engineering/Co-founder of Searchmont Engine Company from 2006 to 2009. Jonathan worked twelve years for various fortune 500 companies including Boeing, General Dynamics and Bell Helicopter. From there, he went on to form his own company, Badencorp, which specialized in providing engineering and design services across all disciplines within Aerospace, Automotive, Biomedical, Consumer Products and Heavy Industries.

**Indemnification of Directors and Officers**

Our Articles of Incorporation and Bylaws both provide for the indemnification of our officers and directors, to the fullest extent, permitted by Nevada law.

**Compliance with Section 16(a) of the Exchange Act**

Section 16(a) of the Securities Exchange Act of 1934 requires our directors, executive officers and persons who own more than ten percent of our common stock, to file with the SEC initial reports of ownership and reports of changes in ownership of common stock.  Officers, directors and ten-percent or greater beneficial owners are required by SEC regulations to furnish us with copies of all Section 16(a) reports they file.  Based upon a review of those forms and representations regarding the need for filing for the year ended December 31, 2022, we believe all necessary forms have been filed.

**Board Composition**

Our Board of Directors currently consists of two members, Thomas J. Wood and Russell F. Bird. Each director of the Company serves until the next annual meeting of stockholders and until his successor is elected and duly qualified, or until his earlier death, resignation or removal. Our board is authorized to appoint persons to the offices of Chairman of the Board of Directors, President, Chief Executive Officer, one or more vice presidents, a Treasurer or Chief Financial Officer and a Secretary and such other offices as may be determined by the board.

13

**Director Independence**

We currently do not have any independent directors, as the term “independent” is defined in Section 803A of the NYSE Amex LLC Company Guide. Since the OTC Markets does not have rules regarding director independence, the Board makes its determination as to director independence based on the definition of “independence” as defined under the rules of the New York Stock Exchange (“NYSE”) and American Stock Exchange (“Amex”).

**Board Committees**

Our board does not currently have a standing Audit Committee, Compensation Committee or Nominating/Corporate Governance Committee due the board’s limited size and the Company’s limited operations. The entire Board of Directors performs all functions that would otherwise be performed by committees. Given the present size of our Board, it is not practical for us to have committees other than those described above, or to have more than two directors on such committees. If we are able to grow our business and increase our operations, we intend to expand the size of our board and our committees and allocate responsibilities accordingly.

**Board Leadership Structure and Risk Oversight**

The Board of Directors oversees our business and considers the risks associated with our business strategy and decisions. The board currently implements its risk oversight function as a whole. Each of the board committees, when established, will provide risk oversight in respect of its areas of concentration and report material risks to the board for further consideration.

**Code of Ethics**

We have not adopted a code of ethics due to our limited size. We intend to adopt a code of ethics when warranted.

**ITEM 11. EXECUTIVE COMPENSATION**

**Summary Compensation**

The following table provides information as to cash compensation of all executive officers of the Company, for each of the Company’s last two fiscal years.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **SUMMARY COMPENSATION TABLE** | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |
|  |  |  | |  |  |  | |  |  |  | |  |  | **Stock** | |  |  | **Option** | |  |  | **Non-Equity Incentive Plan** | |  |  | **Nonqualified Deferred Compensation** | |  |  | **All Other** | |  |  |  | |  |
| **Name and** |  |  | |  |  | **Salary** | |  |  | **Bonus** | |  |  | **Awards** | |  |  | **Awards** | |  |  | **Compensation** | |  |  | **Earnings** | |  |  | **Compensation** | |  |  | **Total** | |  |
| **principal position** |  | **Year** | |  |  | **($)** | |  |  | **($)** | |  |  | **($)** | |  |  | **($)** | |  |  | **($)** | |  |  | **($)** | |  |  | **($)** | |  |  | **($)** | |  |
| Russell Bird |  |  | 2022 |  |  | $ | 81,000 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 81,000 |  |
| (Chairman) |  |  | 2021 |  |  | $ | 24,000 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 24,000 |  |
| Tom Wood |  |  | 2022 |  |  | $ | 84,000 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 84,000 |  |
| (Executive Officer) |  |  | 2021 |  |  | $ | 48,000 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 48,000 |  |
| Jonathan B. Lane |  |  | 2022 |  |  | $ | 66,000 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 66,000 |  |
| (Vice President and Chief Technology Officer) |  |  | 2021 |  |  | $ | 26,000 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 0 |  |  | $ | 26,000 |  |

**Outstanding Equity Awards at Fiscal Year End**. There were no outstanding equity awards as of December 31, 2022.

14

**ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS**

The following table sets forth, as of April 17, 2023, certain information with respect to the beneficial ownership of shares of our common stock by: (i) each person known to us to be the beneficial owner of more than five percent (5%) of our outstanding shares of common stock, (ii) each director or nominee for director of our Company, (iii) each of the executives, and (iv) our directors and executive officers as a group. Unless otherwise indicated, the address of each shareholder is c/o our company at our principal office address:

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name and Address of Beneficial Owner(1)(2)** |  | **Shares of Common Stock** | |  |  | **Percent of Class** | |  |
| Russell Bird, Chairman (3) |  |  | 26,219,494 |  |  |  | 1.79 | % |
| Tom Wood, CEO (4) |  |  | 25,969,494 |  |  |  | 1.78 | % |
| Jonathan B. Lane, COO |  |  | 1,000,000 |  |  |  | \* |  |
| All Officers and Directors as a Group (3 persons) |  |  | 53,188,988 |  |  |  | 3.57 | % |

|  |  |  |
| --- | --- | --- |
|  | \* | - less than 1% |

|  |  |
| --- | --- |
| (1) | Beneficial ownership is calculated based on 1,461,616,601 shares of common stock issued and outstanding as of the date hereof, together with securities exercisable or convertible into such shares within sixty (60) days of the date hereof for each stockholder.  The shares of common stock issuable pursuant to those convertible securities, options or warrants are deemed outstanding for computing the percentage ownership of the person holding such convertible securities, options or warrants but are not deemed outstanding for the purposes of computing the percentage ownership of any other person. |
|  |  |
| (2) | The address for each of the officers and directors is c/o Remsleep Holding, Inc., 14175 ICOT Blvd, Suite 300, Clearwater, FL 33760. |
|  |  |
| (3) | Russell Bird also owns 2,500,000 Preferred A Shares, which shares may be converted on a 1 to 1 basis. No Preferred A Shares have been converted. He also owns 250,000 Preferred B Shares, which shares may be converted on a 1 to 100 basis. No Preferred B Shares have been converted. |
|  |  |
| (4) | Tom Wood also owns 2,500,000 Preferred A Shares, which shares may be converted on a 1 to 1 basis. No Preferred A Shares have been converted. He also owns 250,000 Preferred B Shares, which shares may be converted on a 1 to 100 basis. No Preferred B Shares have been converted. |

**ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE**

The Company has received support from its Chairman, Russell Bird through a series of loans prior to 2019. These loans are unsecured, and due on demand. As of December 31, 2022 and 2021, the balance due on these loans is $179,191 and $179,191, respectively. Beginning on January 1, 2019, the balance due accrues interest at 12.5%. As of December 31, 2022, total accrued interest is $90,119. During the third quarter Mr. Bird, advanced the Company an additional $1,523. The advance was paid back as of December 31, 2022.

The Company executed a new employment agreement with Mr. Wood on April 1, 2022. Per the terms of the agreement Mr. Wood is to be compensated $8,000 per month. As of December 31, 2022 and 2021, there is $2,000 and $2,000 of accrued compensation, respectively, due to Mr. Wood. During the years ended December 31, 2022 and 2021, cash payments of $84,000 and $48,000, respectively, were paid to Mr. Wood.

15

The Company executed a new employment agreement with its Chairman, Russell Bird, on April 1, 2022. Per the terms of the agreement, which is effective for one year, Mr. Bird is to be compensated $8,000 per month. As of December 31, 2022 and 2021, there is $50,000 and $45,000 of accrued compensation, respectively, due to Mr. Bird. During the years ended December 31, 2022 and 2021, cash payments of $76,000 and $24,000, respectively, were paid to Mr. Bird.

The Company has entered into an at-will consulting agreement with Jonathan Lane to serve as Chief Technology Officer. During the years ended December 31, 2022 and 2021, the Company made cash payments to Mr. Lane of $66,000 and $26,000, respectively.

During the years ended December 31, 2022 and 2021, the Company paid $9,000 and $9,000, respectively, to the brother of the CEO for services related to development of the Company’s product.

During the years ended December 31, 2022 and 2021, the Company paid $1,000 and $12,000, respectively, to the son of the CEO for website design services.

**ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES**

*Audit Fees*

The aggregate fees billed for professional services rendered by our auditor Fruci & Associates II, PLLC for the audit and review of our financial statements for the fiscal years ended December 31, 2022 and 2021 amounted to $32,200 and $33,400, respectively.

*Audit-Related Fees*

During the fiscal years ended December 31, 2022 and 2021 our principal accountant rendered assurance and related services reasonably related to the performance of the audit or review of our financial statements in the amount of $0 and $0, respectively.

*Tax Fees*

The aggregate fees billed for professional services rendered by our principal accountant for the tax compliance for the years ended December 31, 2022 and 2021 was $3,345 and $3,263, respectively.

*All Other Fees*

During the fiscal years ended December 31, 2022 and 2021, there were no fees billed for products and services provided by the principal accountant other than those set forth above.

16

**PART IV**

**ITEM 15. EXHIBITS**

|  |  |  |
| --- | --- | --- |
| **Exhibit Number** |  | **Description** |

|  |  |  |
| --- | --- | --- |
| 4.1 |  | [Description of Registered Securities (\*)](f10k2022ex4-1_remsleep.htm) |
| 31.1 |  | [Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002 (\*)](f10k2022ex31-1_remsleep.htm) |
| 32.1 |  | [Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (\*)](f10k2022ex32-1_remsleep.htm) |
| 101.INS\* |  | Inline XBRL Instance Document. |
| 101.SCH\* |  | Inline XBRL Taxonomy Extension Schema Document. |
| 101.CAL\* |  | Inline XBRL Taxonomy Extension Calculation Linkbase Document. |
| 101.DEF\* |  | Inline XBRL Taxonomy Extension Definition Linkbase Document. |
| 101.LAB\* |  | Inline XBRL Taxonomy Extension Label Linkbase Document. |
| 101.PRE\* |  | Inline XBRL Taxonomy Extension Presentation Linkbase Document. |
| 104\* |  | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). |

|  |  |
| --- | --- |
| (1) | Filed herewith |

**ITEM 16. FORM 10-K SUMMARY**

None.

17

**SIGNATURES**

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused the report to be signed on its behalf by the undersigned, thereunto duly authorized.

|  |  |  |
| --- | --- | --- |
| REMSleep Holdings, Inc | |  |
|  |  |  |
| By: | */s/ Tom Wood* |  |
|  | Tom Wood |  |
|  | Chief Executive Officer, Director |  |
|  |  |  |
| Date: | April 17, 2023 |  |
|  |  |  |
| By: | */s/ Russell Bird* |  |
|  | Russell Bird |  |
|  | Chairman |  |
|  |  |  |
| Date: | April 17, 2023 |  |

18

RemSleep Holdings Inc. 5525 5000 0.00 0.01 1461965506 700895412 false FY 0001412126 0001412126 2022-01-01 2022-12-31 0001412126 2022-06-30 0001412126 2023-04-17 0001412126 2022-12-31 0001412126 2021-12-31 0001412126 us-gaap:SeriesAPreferredStockMember 2022-12-31 0001412126 us-gaap:SeriesAPreferredStockMember 2021-12-31 0001412126 us-gaap:SeriesBPreferredStockMember 2022-12-31 0001412126 us-gaap:SeriesBPreferredStockMember 2021-12-31 0001412126 us-gaap:SeriesCPreferredStockMember 2022-12-31 0001412126 us-gaap:SeriesCPreferredStockMember 2021-12-31 0001412126 2021-01-01 2021-12-31 0001412126 us-gaap:SeriesAPreferredStockMember us-gaap:PreferredStockMember 2020-12-31 0001412126 us-gaap:SeriesBPreferredStockMember us-gaap:PreferredStockMember 2020-12-31 0001412126 us-gaap:CommonStockMember 2020-12-31 0001412126 rmsl:DiscountToCommonStockMember 2020-12-31 0001412126 us-gaap:AdditionalPaidInCapitalMember 2020-12-31 0001412126 us-gaap:RetainedEarningsMember 2020-12-31 0001412126 2020-12-31 0001412126 us-gaap:SeriesAPreferredStockMember us-gaap:PreferredStockMember 2021-01-01 2021-12-31 0001412126 us-gaap:SeriesBPreferredStockMember us-gaap:PreferredStockMember 2021-01-01 2021-12-31 0001412126 us-gaap:CommonStockMember 2021-01-01 2021-12-31 0001412126 rmsl:DiscountToCommonStockMember 2021-01-01 2021-12-31 0001412126 us-gaap:AdditionalPaidInCapitalMember 2021-01-01 2021-12-31 0001412126 us-gaap:RetainedEarningsMember 2021-01-01 2021-12-31 0001412126 us-gaap:SeriesAPreferredStockMember us-gaap:PreferredStockMember 2021-12-31 0001412126 us-gaap:SeriesBPreferredStockMember us-gaap:PreferredStockMember 2021-12-31 0001412126 us-gaap:CommonStockMember 2021-12-31 0001412126 rmsl:DiscountToCommonStockMember 2021-12-31 0001412126 us-gaap:AdditionalPaidInCapitalMember 2021-12-31 0001412126 us-gaap:RetainedEarningsMember 2021-12-31 0001412126 us-gaap:SeriesAPreferredStockMember us-gaap:PreferredStockMember 2022-01-01 2022-12-31 0001412126 us-gaap:SeriesBPreferredStockMember us-gaap:PreferredStockMember 2022-01-01 2022-12-31 0001412126 us-gaap:CommonStockMember 2022-01-01 2022-12-31 0001412126 rmsl:DiscountToCommonStockMember 2022-01-01 2022-12-31 0001412126 us-gaap:AdditionalPaidInCapitalMember 2022-01-01 2022-12-31 0001412126 us-gaap:RetainedEarningsMember 2022-01-01 2022-12-31 0001412126 us-gaap:SeriesAPreferredStockMember us-gaap:PreferredStockMember 2022-12-31 0001412126 us-gaap:SeriesBPreferredStockMember us-gaap:PreferredStockMember 2022-12-31 0001412126 us-gaap:CommonStockMember 2022-12-31 0001412126 rmsl:DiscountToCommonStockMember 2022-12-31 0001412126 us-gaap:AdditionalPaidInCapitalMember 2022-12-31 0001412126 us-gaap:RetainedEarningsMember 2022-12-31 0001412126 us-gaap:FairValueInputsLevel1Member 2022-12-31 0001412126 us-gaap:FairValueInputsLevel2Member 2022-12-31 0001412126 us-gaap:FairValueInputsLevel3Member 2022-12-31 0001412126 us-gaap:FairValueInputsLevel1Member 2021-12-31 0001412126 us-gaap:FairValueInputsLevel2Member 2021-12-31 0001412126 us-gaap:FairValueInputsLevel3Member 2021-12-31 0001412126 srt:MinimumMember 2022-01-01 2022-12-31 0001412126 srt:MaximumMember 2022-01-01 2022-12-31 0001412126 rmsl:MrWessonMember us-gaap:LoansPayableMember 2012-10-24 0001412126 rmsl:MrWessonMember us-gaap:LoansPayableMember 2013-06-12 0001412126 us-gaap:LoansPayableMember 2017-10-24 0001412126 us-gaap:LoansPayableMember 2018-04-01 2018-04-26 0001412126 us-gaap:LoansPayableMember 2021-12-31 0001412126 rmsl:GraniteGlobalInvestmentsLtdFourMember 2022-01-01 2022-12-31 0001412126 rmsl:GraniteGlobalInvestmentsLtdFourMember 2021-12-31 0001412126 rmsl:GraniteGlobalInvestmentsLtdSixMember 2022-01-01 2022-12-31 0001412126 rmsl:GraniteGlobalInvestmentsLtdSixMember 2021-12-31 0001412126 rmsl:PowerUpLendingGroupLTDTwoMember 2022-01-01 2022-12-31 0001412126 rmsl:PowerUpLendingGroupLTDTwoMember 2021-12-31 0001412126 rmsl:PowerUpLendingGroupLTDThreeMember 2022-01-01 2022-12-31 0001412126 rmsl:PowerUpLendingGroupLTDThreeMember 2021-12-31 0001412126 rmsl:PowerUpLendingGroupLTDFourMember 2022-01-01 2022-12-31 0001412126 rmsl:PowerUpLendingGroupLTDFourMember 2021-12-31 0001412126 rmsl:PowerUpLendingGroupLTDFiveMember 2022-01-01 2022-12-31 0001412126 rmsl:PowerUpLendingGroupLTDFiveMember 2021-12-31 0001412126 srt:MinimumMember us-gaap:FairValueInputsLevel3Member 2022-12-31 0001412126 srt:MaximumMember us-gaap:FairValueInputsLevel3Member 2022-12-31 0001412126 srt:MinimumMember us-gaap:FairValueInputsLevel3Member 2022-01-01 2022-12-31 0001412126 srt:MaximumMember us-gaap:FairValueInputsLevel3Member 2022-01-01 2022-12-31 0001412126 us-gaap:FairValueInputsLevel3Member 2022-01-01 2022-12-31 0001412126 2019-01-01 2019-01-01 0001412126 rmsl:MrWoodMember 2022-01-01 2022-12-31 0001412126 rmsl:MrWoodMember 2022-12-31 0001412126 rmsl:MrWoodMember 2021-12-31 0001412126 rmsl:MrWoodMember 2021-01-01 2021-12-31 0001412126 rmsl:MrBirdMember 2022-01-01 2022-12-31 0001412126 rmsl:MrBirdMember 2022-12-31 0001412126 rmsl:MrBirdMember 2021-12-31 0001412126 rmsl:MrBirdMember 2021-01-01 2021-12-31 0001412126 rmsl:MrLaneMember 2022-01-01 2022-12-31 0001412126 rmsl:MrLaneMember 2021-01-01 2021-12-31 0001412126 us-gaap:TechnologyServiceMember 2022-12-31 0001412126 us-gaap:TechnologyServiceMember 2021-12-31 0001412126 us-gaap:TechnologyServiceMember srt:ChiefExecutiveOfficerMember 2022-12-31 0001412126 us-gaap:TechnologyServiceMember srt:ChiefExecutiveOfficerMember 2021-12-31 0001412126 2022-05-01 0001412126 rmsl:DiamondInvestmentsLLCMember 2021-01-01 2021-12-31 0001412126 rmsl:GraniteGlobalValueMember 2021-01-01 2021-12-31 0001412126 rmsl:PowerUpOneMember 2021-01-01 2021-12-31 0001412126 us-gaap:WarrantMember 2021-01-01 2021-12-31 0001412126 rmsl:GraniteGlobalValueMember 2022-01-01 2022-03-31 0001412126 2022-01-01 2022-03-31 0001412126 rmsl:PowerUpOneMember 2022-01-01 2022-03-31 0001412126 rmsl:PowerUpOneMember 2022-01-01 2022-06-30 0001412126 2022-01-01 2022-06-30 0001412126 srt:MinimumMember 2022-12-31 0001412126 srt:MaximumMember 2022-12-31 iso4217:USD xbrli:shares iso4217:USD xbrli:shares xbrli:pure