

Chineseinvestors.com, Inc.  
Form 10-K/A  
February 09, 2016

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

AMENDMENT NO. 1 TO

**FORM 10-K/A**

(Mark one)

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

**For the fiscal year ended May 31, 2015**

**OR**

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

**For the transition period \_\_\_\_\_ to \_\_\_\_\_**

**Commission File Number: 0-28599**

**CHINESEINVESTORS.COM, INC.**

**(Exact name of registrant as specified in its charter)**

**Indiana** **35-2089868**  
**(State or Other Jurisdiction** **(IRS Employer**  
**of Incorporation or Organization) Identification Number)**

**4880 Havana Street, Suite 102, Denver, CO 80239**

**Brett Roper, Director of Administrative Services - (303) 481-4416 or (303) 345-1262**

**Copies to: Michael E. Shaff, Esq., Irvine Venture Law Firm, LLP**

**19900 MacArthur Boulevard, Suite 1150, Irvine, CA 92612 Telephone (949) 660-7700**

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

<b>Title of each class</b>	<b>Name of exchange on which registered</b>
<b>Common Stock, \$0.001 par value</b>	<b>None</b>

**Securities registered pursuant to Section 12(g) of the Act: All Common Stock \$0.001 par value**

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 and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted 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 if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☐ Accelerated filer ☐  
Non-accelerated filer ☐ (Do not check if a smaller reporting company) Smaller reporting company ☐

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

The aggregate market value of the registrant's voting and non-voting common stock held by non-affiliates of the registrant on May 31, 2015, the last business day of the registrant's most recently completed fiscal quarter, computed by reference to the last sale price of the registrant's common stock as reported by The NASDAQ Global Select Market on such date, was approximately \$3,624,653. This computation assumes that all executive officers, directors and persons known to the registrant to be the beneficial owners of more than ten percent of the registrant's common stock are affiliates of the registrant. Such assumption should not be deemed conclusive for any other purpose.

As of August 31, 2015, there were outstanding 7,249,305 shares of the issuer's common stock, par value \$0.001 per share and 905,000 shares of the issuer's Class "A" preferred stock, par value \$0.001 per share and 1,885,000 shares of the issuer's Class "B" preferred stock, par value \$0.001.

**Documents incorporated by reference: None**

**CHINESEINVESTORS.COM, INC**

**AMENDMENT NO. 1 TO ANNUAL REPORT ON FORM 10-K/A**

**FISCAL YEAR ENDED MAY 31, 2015**

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## STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

*The statements contained in this report on Form 10-K/A that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including statements regarding our “expectations,” “anticipation,” “intentions,” “beliefs,” or “strategies” regarding the future. Our actual results could differ materially from those in the forward-looking statements. Among the factors that could cause actual results to differ materially are the factors discussed in Item 1A. “Risk Factors.”*

### Part I

NOTE: When we use the term(s) “we,” “us,” “our” and “the Company,” we mean ChineseInvestors.com, an Indiana corporation.

#### Item 1. Business.

##### 1.a.) General Development of Business.

ChineseInvestors.com was incorporated on January 6, 1997 in the State of Indiana under the corporate name “MAS Acquisition LII Corp.” Prior to June 12, 2000, the Company was a ‘blank check’ company seeking a business combination with an unidentified business.

On June 12, 2000, we acquired 8,200,000 shares of common stock, representing 100% of the outstanding shares of Chineseinvestors.com, Inc., which was incorporated in the State of California on June 15, 1999. In connection with this acquisition, Aaron Tsai, our former sole officer and director, was replaced by Chineseinvestors.com, Inc.’s officers and directors.

The stockholders of Chineseinvestors.com, Inc. were issued 8,200,000 shares of our common stock, or approximately 96% of our total outstanding common shares. After giving effect to the acquisition, Chineseinvestors.com, Inc. became a wholly owned subsidiary and we changed our name to Chineseinvestors.com, Inc. Immediately prior to the acquisition of Chineseinvestors.com, Inc., MAS Capital Inc. returned 8,200,000 shares of common stock for cancellation without any consideration.

Chineseinvestors.com, Inc. was established as an 'in language' (Chinese) financial information web portal, offering various levels of information relative to the US Equity and Financial Markets, as well as certain other specific financial markets (including China A Shares, FOREX, etc.). Over the years, various informational components have been added and the general content improved as the Company continues to derive a material portion of its income from various subscription services it offers to its customers. We offer subscription services to provide education about investing and news and analysis on the stock market as well as news about particular stocks that we are following. Nevertheless, we do not provide our subscribers with individualized investment advice and never have investment discretion over any subscribers' or site visitors' funds. As described below, providing investor relations services for other companies, especially those requiring Mandarin language support, now account for our most significant revenue sources.

Chineseinvestors.COM, Inc. has been in continuous operation since July 1999 using the web domains (uniform resource locators) of [www.chineseinvestors.com](http://www.chineseinvestors.com) and [www.chinesefn.com](http://www.chinesefn.com).

We established a Representative Office business presence in leased office space in Shanghai, China in late 2000 from which we fulfill most of our support types of service and also have a leased office presence in Arcadia, California.

In 2010, the Company filed a Form 10 registration statement for us to become a public reporting company under the Exchange Act of 1934 in order to facilitate the Company's ability to raise capital on the public market. In particular, we have retained the firm of B F Borgers CPA PC to be our independent auditor.

We selected Glendale Securities having offices in Sherman Oaks, California as the market maker for our common stock, the price of which is quoted on the OTC:QB marketplace.

As of May 2015, the Company employed 38 (2014-41) persons in its Shanghai Office in a variety of administrative and operational capacities, including its CEO and office manager. All but 7 (2014 - 13) are employed full time. The Company also has two contract officer(s) and a full time support team member employed in the US.

### **1.b.) Shareholder, Company, and Material Events Recap**

In November 2009, the Company completed a private placement of stock that started in December 2008. We raised a total of \$1 million in that private placement. In addition, the Company initiated work to compile the financial statements and data that would eventually be used in the generation of its audited financial statements.

In December 2009, the Company purchased a note held by Hollingsworth LLC, a past majority shareholder for \$112,500. The note was related to a purchase of Hollingsworth LLC's interests in the Company by Mr. L. J. Sabeen (hereafter referred to as Sabeen), a shareholder in October 2005 (as noted in our prior disclosures).

In January 2010, the Company repurchased 13,451,461 shares from Sabeen in consideration of a payment of \$150,000, forgiveness of the note receivable owed by Sabeen (via the Hollingsworth LLC interests as purchased in October 2005), and through the issuance of 2,500,000 stock options. The Company then retired these shares to treasury reducing the total number of shares outstanding accordingly.

In April 2010 and with Mr. Myers earlier resignation in March 2009, the Board of Directors had been seeking a new independent member for the Board of Directors, as it anticipated filing a Form 10 registration statement in an effort to become a public reporting company later in the year. On April 30, 2010, James S. Toreson was appointed to the Board of Directors. The Board of Directors felt that Mr. Toreson's general corporate experience and past service with the Company (Interim CEO from March 2002 through March 2003) qualified him as an excellent choice for its first independent director. Mr. Toreson was originally nominated by Hollingsworth LLC as a condition of their participation and purchase of stock as noted but Mr. Toreson has not been affiliated with the Hollingsworth or its principals since March 2003.

On June 26, 2010, the Company held an annual meeting of its shareholders in Arcadia, California. Mr. Wang, Mr. Roper, and Mr. Toreson were elected to full terms as directors at the meeting.

The Company conducted a private placement of our shares of common stock under a Regulation D offering in January 2012. The proceeds of the private placement have been applied to continuing our growth. As of May 2012 we had raised \$525,000 through the sale of 4,375,002 shares of common stock at \$0.12 per share, adding 17 new shareholders resulting in a total of 352 shareholders of record. We did not use a broker-dealer to sell our shares in that private placement.

In June 2011 the Company elected to increase the target amount raised within the Regulation D private placement from \$1 million to \$1.5 million.

As of August 29, 2011 the Company had raised \$1,069,000 through the sale of 8,908,335 shares of its common stock to 27 accredited investors.

In August 2011, the Company repurchased 5,170,106 shares and retired 2,500,000 options belonging to Sabeen in consideration of a payment of \$250,000 that included certain repayment terms and condition. As of August 3, 2012 Sabeen is no longer a shareholder in the Company.

In December 2011, the Company entered into an agreement for services with KrisWorld Development Limited of Hong Kong in support of their Binary Options business and as noted in various news releases at that time.

In March 2012, the Company completed an offering of its convertible preferred stock raising \$2,003,776 through the sale of 2,003,776 shares of its convertible preferred stock. The terms of the preferred stock allow the holder to convert each share of preferred stock into 1.25 shares of common stock at any time after six months from the date of issuance of February 29, 2012. The holders of shares of preferred stock are also entitled to receive cumulative dividends in preference to any declaration or payment of any dividend at the rate of \$.06 per share per annum when, and if declared by the Board of Directors. In a related action, in March 2012, the Company retired the remaining balance of the note related to the repurchase of shares as noted above with Sabeen at a substantial discount as reflected in our financial statements.

In May 2012, the Company began to offer various corporate consulting services as well as public company consulting for smaller private businesses considering various public options and as noted in various news releases at that time.

In July 2012, the Company modified its services agreement with KrisWorld Development Limited of Hong Kong in consideration of deploying a client service center related to supporting service offerings with KrisWorld in Shanghai, China. This client service center accommodated up to 80 employees and began operations in early August 2012. This endeavor was 'shuttered' in November 2012 due to a lack of support (financial and management) from Krisworld as they had primary operating responsibility for the management of this operation.

In March 2013, the Company noted the default of KrisWorld Development Limited of Hong Kong in making payments due for services that the Company had performed. During this interim period (through the filing of this 10K), the Company has received complaints from, and expects to continue to receive comments from, clients of Krisworld Limited of Hong Kong related to their binary options platform performance as well as an inability to withdraw funds from their Krisworld accounts.



In April 2013, the Company entered into an agreement with Medicine Man Production Company, a Colorado S Corporation, to develop and extensive intellectual property base that would reflect its past as well as current experience as a Cannabis Cultivation and Dispensary Operator in Denver, Colorado for the express purpose of deployment of such into manuals that could then be used to create a new business entity that could market such experience to those wishing to enter into the Cannabis industry space in other states or countries.

In April 2014, the Company, in conjunction with Medicine Man Production Corporation established a new corporate entity in Nevada (C Corporation), Medicine Man Technologies, Inc. for the express purpose of marketing and promoting the new business as an advisor in the Cannabis industry space. In exchange for its support over the past year plus, the Company (ChineseInvestors.COM) received 2,800,000 shares of common stock of Medicine Man Technologies. Those shares had a value of 41¢ per share as of May 31, 2015, based on an appraisal that we obtained. This new enterprise is also expected to pursue a public company strategy in the next year. Medicine Man Technologies itself is not engaged in the cultivation or marketing of marijuana. However, its likely market is the independent grower in states that have just legalized the cultivation and sale of marijuana, either for medical use or on an unrestricted basis. At this time only a few states have fully legalized marijuana cultivation and sale and those activities remain illegal under federal law. If other states fail to legalize marijuana cultivation, sale and use, Medicine Man Technologies' potential market will be very limited and it will face competition from other similarly situated advisory companies.

As of May 31, 2015 the Company had raised \$1,885,000 through the sale of 1,885,000 shares of its Class "B" preferred stock to accredited investors and a limited number of non-accredited investors.

### **1.c.) General Company Information.**

#### ***Market and Market Prospects***

A significant market focus of the Company is on the segment of the Chinese population (both in the US and abroad) that does not have English language reading and or speaking skills but who wish to participate in the various financial markets that typically do not offer real time Chinese language information from an investment and or general information perspective. With the emergence of a Chinese middle class as well as those who have had wealth transferred to them, there appears to be a continuing expansion of interest by the Chinese public in the general financial and securities marketplace as a whole.

More recently the Company has begun to focus on the development of various additional service initiatives including 1) offering consulting services, 2) establishing and operating a client service center for one of its business partners, 3) offering various investor and public relation services, 4) reworking its content services division to deliver a higher

quality of information as well as building up its current client base, and 5) offering additional services within its current business channel.

## ***The Company***

### **General Corporate Support Services**

In June 2012 the Company initiated its first corporate support service (hybrid IR) support effort to Nova Lifestyle, Inc. (Nova) a company whose shares of common stock are quoted on the OTCQB marketplace. We have provided Nova's global operations with interim general share and shareholder support via messaging and information delivery to the Company's subscribers. The initial period (beginning June 15, 2012) was so successful that Nova engaged the Company for a twenty-four month services contract in exchange for 100,000 shares of Nova's (Symbol "STVS") common stock.

We provide corporate awareness and general stock support through our relationships with our subscribers. Our typical clients are generally corporations whose shares are listed on the OTC and other broader exchanges (NASDAQ and NYSE). As of the date of this filing we have provided some level of investor relations services to over 40 different companies, generating over \$3,000,000 stock related revenue in the annual period ending May 31, 2015.

In this fiscal year ending May 31, 2015, we experienced substantial losses in value we reported in prior periods due to market volatility of the stock we have taken in compensation for our services. All such stock is accepted as restricted and not liquidated at any point during which we actively provide support or advertising services to a client.

It should also be noted that while these shares have had a cumulative negative impact to our fiscal year 2015 performance numbers, we have not liquidated those losing significant value based upon a strategic decision to hold such undervalued shares of stock until such time in the future as they may be able to restore the value related to the services we provided them historically.

As an example, we currently hold 130,000 shares of an OTCQB listed company earned in a prior period ending March 2014 when the stock was trading in the \$3 plus range. Although the stock was restricted as well as illiquid to our company at that time, we nonetheless had to account for a value in accordance with GAAP which required us to record the compensation at that value even though we were restricted from disposition until March of 2015 by agreement. Our services ended in early March 2015 at a time when the stock was only valued at \$0.09 per share. The issuer had entered into a PIPE agreement in October 2014 that had a disastrous impact on the issuer's stock value not due to any fault of ourselves as a service provider.

As another example, we currently hold 41,365 shares of another OTCQB listed company earned in February 2014 when the stock was trading in the \$3 plus range. Although the stock was restricted as well as illiquid to our company at that time, we nonetheless had to account for a value in accordance with GAAP which required us to record the compensation at that higher value even though we were restricted by agreement from disposition until late February 2015. Our services ended in early January 2014 when the stock was only valued at \$0.62 per share (after a 3.5:1 reverse split). The issuer still has not been able to deliver us free trading shares for our services for various technical reasons as of the date of this filing. As of June 1, 2015 that stock was trading at \$0.33 per share, down (post reverse split) from the time we supported it by over 95%.

#### **Medicine Man Technologies Inc. Support Services**

The Company is participating in the startup as well as initial operations of Medicine Man Technologies in consideration of receiving 2,800,000 shares of common stock of the business. The Company was just valued at \$0.41 per share on a private basis and is expected to enter the OTC marketplace as a fully reporting OTC:QB listed enterprise later this year.

#### **Other Support Services**

The Company is also participating in several other startup businesses wherein it will earn shares of stock in exchange for utilization of its significant experience in this general arena including the specialty arena focusing on Cannabis venture of the private, pre-public, and public nature. We believe that this new avenue of business opportunity will become a very valuable component of our business development strategy

#### **SUBSCRIPTION SERVICES**

ChineseInvestors.com, Inc. endeavors to be an innovative company, specializing in providing real-time market commentary and analysis in the Chinese language. Our services are mainly offered to Chinese speaking individuals that are resident here in the US and Canada, offering several types of subscription-based services and serve various types of investors and traders as depicted in our Subscriber Services offering(s) shown herein. Market coverage includes the general range of US financial markets, Chinese Shares, and the other global markets as may elect to provide coverage for.

The Company has worked toward establishing its web presence but due to the lack of site use information in competitor companies and based upon our website access metrics, the Company must acknowledge that while it has a substantial public audience potential, it is difficult to ascertain exactly where any specific leadership position lies and therefore can make no definitive statement as to an overall position of our website and presence within our specific marketplace. Recently (January 2015 Web Trends Report) the Company experienced over 89,000 unique visitors represented approximately 745,000 visitor sessions, noting the average site visit lasted just over 21 minutes.

With our screen layout and menu options, we display our research tools in a manner designed for ease of use. The content and technology comprising our integrated information platform is also designed to be adaptable so that as we develop new research tools and adopt new content and features, these new research tools, content and features can be easily integrated with our existing platform.

Our service offerings permit users to subscribe to several of our service packages and as of May 1, 2015 we had over 1,400 active paying subscribers and approximately 22,000 free subscribers. Our registered users are Internet users who maintain a registered account with either [www.chinesefn.com](http://www.chinesefn.com) or [www.chineseinvestors.com](http://www.chineseinvestors.com).

Our website presents analysis, commentary, and computer generated quantitative analysis to provide our subscribers and users with a broad view of the world financial markets. We do not attempt to convince our users to buy or sell any securities or to invest in any specific investments. We believe our subscribers and users view us as an unbiased provider of financial information. A substantial portion of our revenue is derived from the annual and monthly subscription fees charged for our service offerings. We receive subscription fees at the beginning of the subscribers' subscription periods noting that the related revenue is deferred over the specific subscription period(s).

It should be noted that ChineseInvestors.com is not a Registered Investment Advisor or a Broker/Dealer. All website users acknowledge on the website that they understand that we provide information and not investment advice. ChineseInvestors.com advises all readers and subscribers to seek advice from a registered professional securities representative before deciding to trade in the securities of any companies featured by ChineseInvestors.com or anyone. All statements and expressions are the opinion of the companies featured and are not meant to be a solicitation or recommendation to buy, sell, or hold securities.

The accuracy or completeness of the information on our website is only as reliable as the sources they were obtained from. All of our sources of information are public sources. ChineseInvestors.com, its officers, directors, employees or any affiliated parties make no representation or warranty as to the accuracy of the information provided. Users are advised that all information concerning the companies featured on our website should be verified independently with the featured company. Factual statements are made as of the date stated and are subject to change without notice. On our website we disclaim responsibility for any claims made by any company we feature.

Investments in all stocks are generally deemed to be highly speculative and do involve substantial high risk, making it appropriate for readers to consult with professional investment advisors and to make independent investigations before acting on information published by ChineseInvestors.com.

ChineseInvestors.com and our affiliates may increase or decrease its ownership interest in any featured companies at any time before, during or after distribution of information. We may profit in the event the shares of the company featured by us increase in value. These positions may be liquidated from time to time even after we have made positive comments regarding the company. The receipt of this information constitutes your acceptance of these terms and conditions.

To facilitate the offering of our services the Company has several full time editorial staff members. Each staff member is a graduate of a college or university in China and is fluent in English. These staff members monitor CNBC, Bloomberg and other sources of financial news for developments on the stocks being tracked. They listen to conference calls conducted by the management of the tracked stocks, but do not ask questions. The staff members translate the news, developments and their notes and provide that information to the subscribers. The stocks tracked are generally large capitalization stocks traded on the NYSE or NASDAQ-NMS. Companies are selected based on industry and market segment. The Company periodically selects and or drops the companies being tracked.

More recently the Company has begun to provide corporate support to a variety of public companies in the form of an Investor Awareness service whereby the Company provides information about these companies to our client base.

### ***Our Subscription Services***

A substantial portion of our revenue is derived from the annual and monthly subscription fees charged for our service offerings. We receive subscription fees at the beginning of the subscribers' subscription periods and defer recognition of these fees for revenue recognition purposes over the period over which the revenue is earned. Membership Services include, but are not limited to, the following:

### **VIP Golden Membership Subscription Services**

Our registered VIP Golden Members enjoy the following services; 1) timely and important information about US-listed companies; 2) real-time analysis and tracking of the US stock market quotations; 3) trend analysis of the overall market and individual sectors; and 4) access to a sample investment portfolio selected by the Company for educational simulation relative to individual stock research as well as real-time trading demonstrations of various trading techniques. We typically follow and provide analyses for large capitalization companies listed on the New York Stock Exchange (NYSE) and the NASDAQ® National Market System (NASDAQ-NMS). This service also includes access to various other services including our Market Hotspot Report (this report provides current as well as historical performance information on active issues as well as sectors within the US Marketplace), Intraday Market Analysis (after close), Weekly Market Commentary, etc.

Our VIP service offers educational demonstrations through which our editors illustrate basic rules and skills to our subscribers as a group on how to evaluate various investments through fundamental and technical analysis. We do not provide this service to individual subscribers to help them make personal investment decisions. This service is intended to teach subscribers how to use technical analyses to invest in and trade stocks.

In our VIP Golden Membership Subscription Services, subscribers can input the market news, their own views, or other information, and share the results with other subscribers in an open forum format. However, we do not offer a function that allows members to input specifics such as their current net worth, risk sensitivity, investment objectives and time frame that would then generate investment suggestions.

At the time of publication, our editors may or may not hold the securities that are identified for use as part of an example portfolio. This portfolio can change its holdings at any time and the results of the analysis of the individual components of the portfolio are reflected in our updates. Under no circumstances does the information in our services represent a recommendation to buy or sell stocks.

### **Education Materials (Video Training), Stock Investment**

These training materials are offered in a CD/DVD format and include 1) fundamentals critical to a consistent investment strategy, 2) what to look for in creating a fundamental analysis, 3) how to spot various trading opportunities, 4) how to find swing trading opportunities for individual stocks, and 5) what is position trading and holding time analysis. In addition we also provide evaluations as well as analyze all the sample shareholdings and volatile stocks in our sample portfolio. In this way we strive to help you understand why you may be making certain moves so that you can learn various rationales and strategies, thus becoming a better investor. These educational materials are based upon historic performance information and do not provide advice on current potential investments, but rather provide an educational point of reference only.

### **Option Investment & Trading Subscription Services**

This program includes 1) instructional analysis for Market Index Option Trading, 2) instructional analysis for Stock Option Trading, 3) instruction and analysis for long term Stock Option Trading, 4) introductory articles for Options, 5) real-time market education and analysis, and 6) pre-market analysis of three stock indexes daily chart analysis of the Dow-Jones Industrial average, the NASDAQ index and the Standard & Poor's index with our views and outlook for the three index options including a sample daily tracking of option portfolio.

### **Dark Horse Subscription Services**

The Dark Horse column focuses on the US-listed small-cap stocks (with trading caps below 100 million shares over the twelve month calendar year); it is intended as a place where investors from novices to professionals come to for ideas on which companies demonstrate certain characteristics indicating growth even in a challenged economy. This is a subscription based service that analyzes individual stocks and provides an experienced investor's opinion to all members of the service on various companies. This analysis does not provide individual investment advice but rather provides an outlook as to the company's current and potential performance to the entire group. The Dark Horse research staff spends time daily researching small-cap stocks (virtually all of which are listed for trading on the NYSE or NASDAQ-NMS) to identify those issues with advancement potential based upon various commonly used measurement metrics every week from more than 9,000 US-listed stocks for the service's model portfolio.

Research reports on Dark Horse Stocks include a detailed analysis for those stocks where/when the price reaches a potential entering point, key business backdrop, market potential of the subordinated sector, fund statement of top-10 shareholders, ratings by boutique firms as well as the earnings per share, P/E ratio and P/B ratio (price to earnings and price to book value) of any of those stocks would be included in the reports. The Company selects four to ten stocks periodically for inclusion on the watch list. Our staff monitors news, analysts' calls, reported trades by material shareholders and other persons required to publicly report trades, press releases and provides analysis and alerts to subscribers. Tracking of Dark Horse Model Portfolio Stocks subscribers are alerted to the release of reports on traded stocks from broker-dealers and important news releases and our analyses of the material developments for the tracked Dark Horse stocks are provided as well. All the news related to the model portfolio stocks is provided in timely manner while the potential influences price fluctuation of the stock is also analyzed. Dark Horse Model Portfolio Performances (Profit and loss conditions of the portfolio) are shown in a table, price movements of model portfolio updated daily, and the yield conditions of the model portfolio is therefore clearly displayed.

### **General Advertising Services**

The Company provides website based advertising.

### **Free Analysis and Research Tools**

We also provide a free stocks and research tool to our subscribers customers including the following services:

1. Price charts of relevant stocks as well as the price and volume changes of the day.

After the ticker of a specific stock is searched on the chinesefn.com website, the price chart of a certain period (today, 5d, 1m, etc.) will be displayed with clear information of price movement, volume change as well as the highest and lowest points of 52 weeks. Dividend payment information will also be provided.

## 2. News updates for relevant stocks.

News updates including the latest boutique firm ratings, company earnings, conference calls, merger and acquisition activity, as well as other information that may influence the price movements of relevant stocks are also provided for free.

### **Planned Additional Education Services**

We plan to continue to expand our presence in China through the establishment of additional related services that will likely be provided by third party vendor(s) working directly with us. The Company has not as of yet identified such potential relationships, but is working on updating its formal business strategy and plans to identify such potential third party or other partners prior to publishing its curricula.

We plan to substantially increase our presence in the US as well as China, expanding our educational training and seminar products substantially.

We believe that we have the requisite blend of experience and technical skills related to financial market awareness and content publication to develop a series of courses devoted to investor education and offered in the Mandarin language. Based on the demands of individuals in China and outside China, as well as on the structure and features of the financial markets, we anticipate we will be able to substantially increase our presence and revenues once we are able to offer services within China (Peoples Republic of China).

These courses will range in content providing basic knowledge and practical trading skills. They will be coupled with training in the use of digitalized, randomized, and quantified analyses for stock trading analysis and trading; helping the participants to be more skillful in practical trading as they progress through the course work.

Courses will also provide a number of actual cases and samples focusing on formal trading practice as well as the practical trading practices of experts that can be shared. The course will also provide valuable real world experience from which to develop the participants' own style of trading.

### ***News***

Our news feature allows users to search and view breaking economic and financial news and information from around the world. Through our website content, our subscribers can access timely and customized financial information and reports, categorized and integrated into topics and sub-topics that they select, based on their investment and analysis needs.

### ***Our Websites***

Our website content and our research tools are the key components of our information platform. Our websites have two primary functions:

- To attract visitors and market our subscription based service offerings; and
- To store content and serve as an integral part of our information platform.

In order to attract visitors to our websites, we offer a significant portion of our website content free of charge. This free content includes stock quotes, trading volumes and pricing indicators for listed companies in the United States. Our websites also have an important marketing function for our subscription based service offerings. We provide examples to our visitors on our websites of the enhanced content and features they can access by becoming a subscriber to one of our service offerings

Our premium content and features are accessible through our web-based research tools. Subscribers to our web-based research tools are required to register and maintain personal accounts with our websites.

We believe our websites are designed for ease of use and accommodate low bandwidth access to the Internet. In addition, we have also historically derived some revenue from online advertising. We plan to attract more advertising revenue as our subscriber base increases.

We currently offer different service packages incorporating some or all of our research tools to our users. Our service packages provide research tools focused around three main areas: securities market data, technical analysis, and fundamental analysis. We view the migration of existing subscribers and the attraction of new subscribers to our service offerings with more comprehensive research tools as one of our most important growth strategies.

We may, from time to time, offer discounts or promotions, depending on our perceived need in accordance with our pricing policy. Any of such discounts or promotions could apply to new or repeat subscribers as we may determine.



We have taken steps to protect our customer and proprietary information through deployment of additional security contracted for through our web hosting service provider, IT Software Design. To our knowledge no such dissemination of Company information has occurred as of the date of this documents submittal. We are unsure of what material adverse effect such an event would cause. We are in the process of securing service and trade mark protection for our Chineseinvestors.com and Chineseefn.com names.

### ***Customer Support***

Our customer support center provides our subscribers real-time and personal support. Our customer support personnel, in addition to their sales and marketing functions, help our existing and prospective subscribers to resolve any technical problems they may have. We have an in-house training program for our customer support personnel, which include training courses on world financial markets, our service features and functionalities, technical problem solving skills in respect of our research tools and general customer service guidelines.

The Company maintains a customer service center that is open twenty four hours a day, seven days a week (24/7) in Shanghai China. The center is staffed with individuals having both Chinese and English Language skills who are available by both telephone (1-800-808-8760) as well as email (info@chinesefn.com). Once an inquiry call or email is initiated, follow up provided by an individual best suited to answering the specific question is undertaken often times resulting in a new email address point of contact as it relates to the specific Customer Service Representative responding to the inquiry. The Company also provides various levels of translation support for its advertisers as may be contracted for.

Typical Customer Service or Technical Support Calls include:

- ♣What's the website address of chinesefn.com;
- ♣How do I access the website or how do I register online;
- ♣What products are free and which ones are offered at a cost;
- ♣What is the cost of a particular product;
- ♣Where to login our membership section;
- ♣Company intro and what content they can get access to our website;
- ♣When and where they can find the updated news;
- ♣Where are the archives, etc.;
- ♣Customer can't login to the website; (technical support)
- ♣The computer can't refresh the webpage; (technical support)
- ♣The computer can't submit user's message; (technical support)
- ♣The computer can't show the web content in traditional Chinese (technical support)

## ***Sales and Marketing***

We market our service offerings through our websites, as well as through customer support personnel at our telemarketing and customer service center in Shanghai, China. Our websites provide detailed descriptions of our service offerings while our customer support personnel are available to explain to callers the various features of our offerings and to resolve our subscribers' technical problems. We charge our subscribers a subscription fee for the use of our service packages over an agreed upon service period, typically three months to one year. Our subscribers either pay us by cash, by online bank transfer, or by direct wiring of cash. Upon receipt of payment, we promptly activate our subscribers' accounts with us.

The Company currently utilizes several advertising relationships in a continuing effort to build its brand awareness including SVC Media Services, AM1300 Radio, Phoenix Satellite Television, SINA, etc. The Company plans to continue to use these resources as well as add new media providers based upon need, performance, and cost. The Company plans to continue with other advertising efforts in the form of seminars, referrals, and the planned offering of educational services.

While the Company does not currently have a formal budget for advertising, it plans to develop a more substantial plan and outlook in the near future as a part of its business planning and strategy development efforts and as it achieves revenues and or funding that will allow it to continue to expand its business.

The market potentials for our Portal, IR and PR marketing and Conference and Online Platform businesses are extremely competitive and rapidly changing. We note that at this time we have not as yet developed offerings for these particular online services and may fail to do so in a manner that might affect our businesses ability to remain competitive. Please note that while we are aware our Company may develop service offerings as noted we have not as of yet explored the potential products related to the offerings as noted above and therefore cannot describe these businesses and planned offerings as we currently have none.

We are working on identifying other possible products that could be deployed as well as produce income for the Company as they relate to "Portal, IR and PR marketing and Conference and Online Platform businesses" that could include those designed to 1) integrate with our portal such as various hybrid advertising services (word specific, etc.), 2) investor and or public relations promotional material dissemination (on behalf of various businesses and or advertisers) via website delivery mechanisms, and 3) sponsoring as well as hosting related online (interactive) educational programs and conference events, etc.

We do offer various educational conferences (both free and fee based) in both China and the US on a regular basis as well as the services and information available to our subscribers and visitors on our website. These educational conferences typically include various segments dedicated to the various sectors our subscribers and guests may be interested including US Equities, Foreign Currency Exchange, China Stocks, etc. These events generally include other speakers that have specific education and experience skills within these various sectors. These events generally last between two and three hours and are held at public venues such as conference centers, hotels, etc.

### ***Database Technology***

We have developed database technology to address the specific requirements of our information services. Our database design and search techniques allow for efficient data retrieval within the unique operating parameters of the Internet.

### **Item 1A. Risk Factors**

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.

### **Item 1B. Unresolved Staff Comments**

None.

### **Item 2. Properties**

The Company currently maintains leased space in Shanghai, China (as described in the Financials) as well as an office presence in Arcadia, California. It also maintains a correspondence address in Arcadia, California on a month to month basis as well as an executive office suite in Aurora, Colorado.

Shanghai Offices 333 Huai Hai Zhong Road, 12/F Shui On Plaza, Shanghai, China, 200021 (lease expires September 2016)

Corporate Offices 4880 Havana Street, Suite 102 Denver, CO 80239 (a lease is in place through May 2017)

Support Office 1 14 Wall Street, 20th Floor, New York, NY 10009

Support Office 2 227 W. Valley Blvd, 208-A, San Gabriel, CA 91776

The Company has no other real property holdings or leases other than those as disclosed above.

### **Item 3. Legal Proceedings**

The Company is a party to various any legal proceeding, none of which, in the opinion of management are more likely than not to have a material adverse effect upon its business or financial position.

### **Item 4. Mine Safety Disclosure**

**Not applicable.**

## Part II

### Item 5. Market for Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities

During the year ended May 31, 2013, the Company raised \$275,000 of cash from a private equity firm by issuing 861,306 shares of its common stock.

During the year ended May 31, 2014, the Company converted 728,776 shares of preferred stock for 910,970 shares at a conversion rate of \$1.25 per share of preferred stock.

During March 2014 the Company granted 300,000 shares of common stock for compensation. Half the shares were valued at \$0.90 per share and the remaining 150,000 shares were valued at \$0.77 per share. The Company also issued 18,750 shares for services valued at \$0.89 per share. The compensation and consulting expense was recorded as general and administrative expenses for the year ended May 31, 2014.

During the year ended May 31, 2015, the Company converted 380,000 shares of preferred stock for 475,000 shares at a conversion rate of \$1.25 per share of preferred stock.

During the year ended May 31, 2015, the Company raised \$1,885,000 in cash from the issuance of 1,885,000 shares of its class "B" preferred stock.

The Company's common stock is listed for quotation on the OTC:QB marketplace. The Company's preferred stock and debt obligations are not publicly traded. The high quote for the Company's common stock was 80¢ per share and the low was 35¢ during the 2015 fiscal year. The Company has issued 7,249,305 shares of its common stock, 905,000 shares of the issuer's Class "A" preferred stock, par value \$0.001 per share and 1,885,000 shares of the issuer's Class "B" preferred stock, par value \$0.001. The Company has never declared or paid a dividend distribution on its preferred or common shares. The Company did not issue its officers or employees any stock or derivatives such as options to purchase stock as compensation for services during the 2015 fiscal year, but, Paul Dickman, our chief financial officer, did dispose of shares that he had received in prior periods for services. Mr. Dickman, the Company's CFO, sold 50,000 shares of common stock.

**Item 6. Selected Financial Data****Financial Tables and Explanations** (years ending May 31st)

Description	2015 (audited)	2014 (audited)	2013 (audited)	2012 (audited)	2011 (audited)
Total Revenues	\$2,441,672	\$3,902,403	\$1,639,373	\$897,105	\$845,097
Less: Cost of Goods Sold	\$(1,011,349)	\$(821,248 )	\$(974,966 )	\$(686,865 )	\$(556,195 )
Gross Profit	\$1,430,323	\$3,081,155	\$664,407	\$210,240	\$288,902
Expenses, General & Administration	\$(1,948,421)	\$(1,592,600)	\$(1,662,220)	\$(1,995,918)	\$(1,033,582)
Income <Loss>, Continuing Operations	\$3,837,516	\$1,149,590	\$(1,118,041)	\$(2,206,158)	\$(744,681 )
Income <Loss>, Per Share (Continuing Operations)	\$(0.51 )	\$ .16	\$(.21 )	\$(.44 )	\$(0.17 )
Total Shares Outstanding (includes Options)	\$9,472,946	8,561,886	6,358,620	4,992,454	4,281,322
Long Term Obligations	\$48,767	\$80,777	\$6,584	\$3,871	\$5,797
Cash Dividends Declared per Common Share	\$—	\$—	\$—	\$—	\$—
Total Assets	\$2,263,824	\$2,998,013	\$1,000,575	\$1,248,967	\$354,655

Total Revenues describes all income from all Company related activities including subscription sales, advertising sales, FOREX support service fees, consulting fees, investor awareness campaigning, and education/training sales.

Cost of Goods Sold refers to all operating expense related to the cost of delivery of content services including direct expenses related to binary option revenues and all of the general Shanghai office expenses.

Expenses, General & Administration refers to the expense related to general advertising, US operational overhead, salaries and related expenses of US Citizens, the costs of note and share repurchases, the costs of options granted, US based web hosting services, etc.

Income <Loss>, refers to the value remaining when subtracting Expenses, *General & Administration* from the *Operating Revenues value*.

Income <Loss>, Per Share refers to any income or loss per share value when dividing the *Income <Loss>*, value by the number of common shares outstanding.

Weighted Averages Shares Outstanding refers to the total number of shares outstanding at any given year end period.

Long Term Obligations, refer to those specific values associated with defined *Long Term Obligations* as shown in our Financial Statements.

Cash Dividends Declared per Common Share refers to any dividends that may have paid out on behalf of the common stock shareholder; noting the Company has never paid any such dividend.

Total Assets refers to the total assets as may be reflected in the Financial Statements.

## **Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations**

### **Fiscal Year Ending May 31, 2015**

#### **Revenues**

Overall revenues declined from \$3,902,403 in the period ending May 31, 2014 to \$2,441,672 for the period ending May 31, 2015. The Company experienced a decrease in subscription based revenues (\$722,887 in fiscal year 2014 decreased to \$590,097 in fiscal year 2015) and investor relations revenues (\$3,166,516 in fiscal year 2014 decreased to \$1,838,550 in fiscal year 2015). This decrease is related to various market related pressures and our support of other companies in which we took restricted stock in compensation. The Company also supports a privately held ancillary marijuana company (Medicine Man Technologies, Inc. based in Denver, Colorado) for which the Company was compensated 2,800,000 shares of Medicine Man Technologies' common stock that produced an offset to the poor stock compensation performance for the Company in that we estimate that the Medicine Man Technologies stock has

appreciated by \$1,148,000 (conservative private valuation in Management's opinion) since we were granted that stock. Management had expected to become publicly traded later in our fiscal 2016. The common stock of Medicine Man Technologies is now quoted on the OTCQB marketplace. Management will continue to focus on similar opportunities as well as focusing on growth in our subscription/content and investor relation and other financial service related support lines of business as they relate to the US and North American based Chinese population.

## **Expenses**

**Cost of Services Sold:** These related costs increased (from \$974,966 in fiscal year 2014 to \$1,011,349 in fiscal year 2015) for the most part due to the challenges of managing the transition from focusing primarily on the investor relations income to pursuing new opportunities.

**General & Administrative Expense:** These expenses decreased by approximately \$100,000 from \$1,684,167 in fiscal year 2014 to \$1,588,883 in fiscal year 2015, primarily driven by cost cutting related to developing and serving our business services clients. Management expects that this expense category will remain at near its current level as the company continues to develop and service this revenue source.

**Advertising Expenses:** Advertising related expenses increased from (\$195,131 in fiscal year 2014 to \$359,538 in fiscal year 2015). These expenses are generally related to outside advertising costs and various other related expenses.

## **Other Income, Expenses**

During the year ended May 31, 2015 the company determined that it no longer had a legal obligation to pay a subcontractor a commission for revenue he had generated for the company. Therefore the company wrote off the liability of \$99,702 and recorded a gain on extinguishment of debt on the income statement.

Interest expense declined from \$111,407 in the fiscal year ended May 31, 2014 to \$59,316 in the fiscal year ended May 31, 2015. The Company fully paid off \$440,000 in debt in the current year resulting in lower expense.

The Company issued 1,885,000 shares of preferred stock as Series B convertible preferred stock for total proceeds of \$1,885,000. The terms of the preferred stock allow the holder to convert each share of preferred stock into 2.5 shares of common stock at any time after six months from the date of issuance. No dividends have been declared as of August 31, 2015. However, upon issuance of preferred stock convertible in shares of common stock at a price lower than the fair market value of common stock on the date of issuance, the company recorded the intrinsic value of this beneficial conversion feature which we calculated to be \$1,475,700 as a deemed dividend expense in the current period. This expense is a purely theoretical expense and has no impact on the Company's cash position.

The Company recognized a realized loss on marketable securities of \$1,884,104 in the current period as compared to a realized gain in the prior year of \$59,140. This significant paper loss was caused by the nature of the highly volatile stock the Company had received as payment for its investor relations services in prior periods. When the stock was received as payment, its transfer was restricted in compliance with SEC Rule 144 which requires a six month hold before transfer restrictions can be released. As the Company's investor relations service contract was frequently completed within that six month holding period, by that time in many occasions the stock was sold at a significant loss from the value at the time received.

It should also be noted that while these shares have had a cumulative negative impact to our fiscal year 2015 performance numbers, we have not liquidated those losing significant value based upon a strategic decision to hold such undervalued shares of stock until such time in the future as the value of those securities approximates the value of the services we rendered.

The cumulative impact of such a required accounting practice was a paper charge to earnings of \$1,884,104 in fiscal year 2015.

## **Liquidity**

The Company is currently addressing its liquidity concerns by building upon its revenue generating subscription service products, increasing its advertising based revenues, and by increasing its offerings of other consulting services. Since inception in 1997, the Company has at times relied primarily upon proceeds from private placements and sales of shares of its equity securities to fund its operations. The Company raised \$1,885,000 through the issuance of its class "B" preferred stock, in an offering that is still ongoing. We anticipate continuing to rely on sales of our securities as well as increasing our general revenues in order to continue to fund our business operations. However, there can be no assurance that the Company currently has sufficient capital or access to capital needed for operations for the next annual period.

## **Off-Balance Sheet Arrangements**

We have not entered into any other financial guarantees or other commitments to guarantee the payment obligations of any third parties. We have not entered into any derivative contracts that are indexed to our shares and classified as stockholder's equity. Furthermore, we do not have any retained or contingent interest in assets transferred to an unconsolidated entity that serves as credit, liquidity or market risk support to such entity. We do not have any variable interest in any unconsolidated entity that provides financing, liquidity, market risk, or credit support to us or engages in leasing, hedging, or research and development services with us.

### **Contractual Obligations**

We have no contractual obligations outstanding other than those based on a month to month continuing basis as they relate to technical services (web hosting, Bloomberg services, etc.) and as they relate to a specific office space lease in Shanghai, China (located at 333 Huai Hai Zhong Road, 12/F Shui On Plaza, Shanghai, China, 200021) and office space lease in 4880 Havana Street, Suite 102, Denver, CO 80239.

### **Item 7.A. 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.

### **Item 8. Financial Statements and Supplementary Data**

Reference is made to the Financial Statements, the Notes thereto, and the Report of Independent Public Accountants thereon commencing at page F-1 of this Report, which Financial Statements, Notes, and report are incorporated herein by reference.

### **Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure**

None.

## **Item 9.A. Controls and Procedures**

### ***Management's Annual Report on Internal Control Over Financial Reporting***

Our management is responsible for establishing and maintaining adequate control over financial reporting (as defined in Rule 13a-15(f) promulgated under the Exchange Act. Our management assessed the effectiveness of our internal control over financial reporting as of May 31, 2015. In making this assessment, our management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") in Internal Control-Integrated Framework. Our management has concluded that, as of May 31, 2015, our internal control over financial reporting is not effective primarily based on these criteria, due to material weaknesses resulting from our failure to 1) implement and monitor specific cutoff procedures, 2) properly review and approve bank reconciliations or provide correct responsibilities to adequately segregate activity in the area of cash receipts and cash disbursements, 3) effectively implement comprehensive entity level internal controls, 4) adequately segregate duties within the accounting department due to an insufficient number of staff, and 5) implement appropriate information technology controls. In consideration of our smaller size, the burden of elimination of these material weaknesses would create an undue financial burden on the Company.

### ***Evaluation of Disclosure Controls and Procedures***

Our principal executive officer and principal financial officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this Annual Report on Form 10-K, have concluded that, based on such evaluation, our disclosure controls and procedures were not effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to our management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

### ***Changes in Controls and Procedures***

In the current year the Company continued to implement a new accounting information system that had started to be implemented in the preceding year to address several of our internal controls issues. There were no other significant changes in our internal controls over financial reporting or in other factors identified in connection with the evaluation required by Exchange Act Rules 13a-15(d) or 15d-15(d) that occurred during the year ended May 31, 2015 that have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting.

***Management's Report on Internal Control Over Financial Reporting***

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. Our internal controls over financial reporting are designed 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.

Because of inherent limitations, internal control over financial reporting may not prevent or detect misstatements. In addition, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management assessed the effectiveness of our internal controls over financial reporting as of May 31, 2014 based on the framework in *Internal Control-Integrated Framework*, published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on our assessment, we have concluded that our internal controls over financial reporting were not effective as of May 31, 2014. Once again, implementation of such controls would have a devastating effect on the Company, likely causing its demise. As we continue to grow our revenues to a point where such controls and requirements can be affordably implemented, we will continue to remain aware of these weaknesses. Management continues to work to improve its disclosure controls and procedures over financial reporting and to resolve deficiencies.

This Annual Report on Form 10-K does not include an attestation report by our registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by our registered public accounting firm pursuant to temporary rules of the SEC that permit us to provide only our management's report in this Annual Report on Form 10-K.

**Item 9.B. Other Information**

None.

## Part III

### Item 10. Directors, Executive Officers, and Corporate Governance

Name	Age	Served Since	Position
Warren (Wei) Wang	48	Dec. 1999	Chief Executive Officer and Chairman of the Board
Brett Roper	63	Mar. 2002	Secretary of the Board of Directors and Chief Operating Officer
Paul Dickman	35	Aug. 2012	Chief Financial Officer
James S. Toreson	73	Apr. 2010	Director (Independent) (Previous Board Service Mar. 2002 thru Apr. 2003)

Notes:

I. All terms are set for the single annual period between our Annual Shareholders Meeting(s).

James S. Toreson served on the Board of Directors previously in association with the Hollingsworth LLC ownership time period from March of 2002 through August of 2003. Mr. James S. Toreson is the single voting member of our audit, nominating, and compensation committees although Mr. Warren Wang and Mr. Brett Roper serve on these committees in a non-voting capacity as Management Representatives.

Mr. Toreson and Mr. Roper had no relationship with Mr. Wang or each other prior to October of 2001 when they were introduced to each other, as well as the Company and Hollingsworth LLC as a part of the Due Diligence Team assembled to provide consideration and support to Hollingsworth LLC prior to their investment in the Company, occurring in March 2002.

Mr. Roper served on the Board of Directors starting in March 2002 (through December of 2005 as the Hollingsworth LLC Representative) and continues to serve in that capacity as of this date. Mr. Roper's general business experience is very broad based, having exposure to operating company management, real estate investment and rehabilitation projects, and a wide variety of industry channels. He currently services as the Company's COO as well as Secretary of the Board of Directors.

The Audit Committee was enlarged to three persons in June 2010 with James S. Toreson serving as its Chairman and single voting member as of this date. Mr. Toreson, who is independent within the meaning of Regulation S-K Item 407(d)(5)(i)(B) has been determined to have the necessary financial experience to serve as the committee financial expert. Mr. Toreson is qualified as a financial expert due to his understanding of generally accepted accounting principles which he has gained through a combination of education and experience as a key executive for over 30 years in a wide variety of businesses. A brief summary of his business experience is listed below Mr. Roper and Mr. Wang serves on the committee in a non-voting capacity.

Mr. Dickman has served as the Chief Financial Officer starting in July 2010 and continues to serve in that capacity as of this date. Mr. Dickman has a broad range of accounting and finance experience. He began his career working as an auditor and financial consultant with several regional accounting firms. In addition to his work as Chief Financial Officer for Chineseinvestors.com, Inc. he has also been the Chief Financial Officer for several other public and private companies.

Biographical information:

Warren Wang founded the Company in late 1999. Warren was born in 1968, in Shanghai, China. He studied finance at St. John's University in New York. Mr. Wang has served as Chief Executive Officer, Chairman of the Board, and Director of ChineseInvestors.com since its inception with the exception of March, 2002 through August of 2003 when James S. Toreson served as the Company's Chief Executive Officer as a condition of the Hollingsworth LLC investment. He was previously the Vice President of Investments for Tradeway Securities Group, a Senior Financial Consultant for Waldron & Co., and a Senior Account Executive for Donald & Co. Securities. Mr. Wang has over 15 years of experience in the financial markets industry and has extensive experience in management, project development, sales, marketing, accounting, and administration. Mr. Wang is Chartered Financial Analyst (CFA) Candidate as well as a member of the Market Technicians Association (MTA).

Brett Roper has served on the Company's Board of Directors since 2002 and has provided assistance to the Company in a number of capacities including Majority Shareholder representation (2002 through 2006), Secretary of the Board (current), operating planning and development, financial planning and development, and various other duties as requested. He currently resides in Denver, Colorado, providing business development and general support services for various companies while working as needed for ChineseInvestors.com. He has an extensive background in management and has traveled to China several times over the years providing additional support services to the Company. Brett has agreed to provide for the coordination and general support for near-term activities and planning.

James S. Toreson joined the Board of Directors in May of 2010 and has over 30 years of experience as a key executive, leading high-tech companies through their start-up, turn around, and growth phases. He was instrumental in providing strategic planning, capital transactions, and strategic partnerships, including IPOs; secondary offerings; private placements; acquisitions; divestitures; and far-east joint ventures with major companies in Japan, Korea, Taiwan, and the People's Republic of China. He is a "hands on" serial entrepreneur with a broad range of expertise in product development, marketing, manufacturing, quality system such as ISO 9000 and Six Sigma, flexible automation, and is the author of several patents in computer hardware technology. In the early part of his career, he made leading edge technical contributions in the fields of integrated circuits; computer design; computer peripherals, hard disk development, including, thin film heads, thin film media and computer aided manufacturing at world class companies including Xebec, Hewlett-Packard, Spectra-Physics, and Bell Telephone Laboratories. His current activities are in the design and deployment of utility-scale solar PV power plants. He is an honors graduate of the University of Michigan with a BSEE and MSEE, and was awarded a Doctorate from the University of Nevada, and has done post-graduate work in computer engineering at the University of Pennsylvania and Santa Clara University. He currently serves as the board's single independent member. The Board has adopted the NASDAQ® definition of an independent director. Under those rules, Mr. Toreson would be considered independent if he is not an employee of the Company and he does not have a relationship with the Company that would interfere with his exercise of independent judgment in acting as a director of the Company. Mr. Toreson has advised Messrs. Wang and Roper that he has no such relationship that would interfere with his exercising independent judgment as a director of the Company.

Paul Dickman is the Chief Financial Officer of Chineseinvestors.com, Inc. Mr. Dickman has served as the Chief Financial Officer for companies in a variety of industries, both domestically and abroad. He has successfully taken numerous companies through multiple fund raising transactions, including private placements of debt and equity and initial public offerings. Prior to joining Chineseinvestors.com, Inc., he worked as an auditor with two large regional accounting firms, with an emphasis in auditing small publicly traded companies and he was employed for several years with a private equity investment firm in various capacities. Mr. Dickman received a Bachelor of Science degree in finance and accounting, and has been a licensed CPA since 2005. In addition, Mr. Dickman is a Fellow of the National Association of Corporate Directors, a member of the National Association of Corporate Secretaries, and serves on the board of the Rockies Venture Club in Denver, CO.

## Item 11. Executive Compensation

The following information summarizes the compensation earned during the year ending May 31, 2015 and May 31, 2014.

### Officers and Management

Name and Principal Position	Year	Salary	Bonus	Stock Awards	Option Awards	Non Equity Incentive Plan Comp	Non-Qualified Deferr. Comp	All Other Compensation (3)	Totals
Warren Wang	2015	\$144,000	\$ -	\$-	\$ -	\$ -	\$ -	\$ 53,435	\$197,435

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Chief Executive Officer	2014	\$140,000	\$ –	\$77,000	\$ –	\$ –	\$ –	\$ –	\$ 79,361	\$296,361
Brett Roper	2015	\$134,000	\$ –	\$–	\$ –	\$ –	\$ –	\$ –	\$ 10,245	\$144,245
VP, Corporate Services	2014	\$90,000	\$ –	\$38,500	\$ –	\$ –	\$ –	\$ –	\$ 15,225	\$143,725
Lan Jiang	2015	\$80,250	\$ –	\$–	\$ –	\$ –	\$ –	\$ –	\$ –	\$80,250
Office Manager, Shanghai	2014	\$79,000	\$ –	\$42,000	\$ –	\$ –	\$ –	\$ –	\$ –	\$122,200
Paul Dickman	2015	\$66,000	\$ –	\$25,000	\$ –	\$ –	\$ –	\$ –	\$ –	\$91,000
Chief Financial Officer	2014	\$63,000	\$ –	\$–	\$ –	\$ –	\$ –	\$ –	\$ –	\$63,000

Name and Principal Position	Fees Earned or Paid in Cash	Stock Awards	Option Awards	Non-Equity Incentive Plan Compensation	Non- Qualified Defer. Compensation	All Other Compensation	Totals
Warren Wang, Chairman of the Board	\$—	\$ —	\$ —	\$ —	\$ —	\$ —	\$—
Brett Roper, Secretary of the Board	\$12,000	\$ —	\$ —	\$ —	\$ —	\$ —	\$12,000
James S. Toreson, Director	\$30,000	\$ —	\$ —	\$ —	\$ —	\$ —	\$30,000

(1) Brett Roper took on the role of Chief Operating Officer in March 2012

(2) Mrs. Lan Jiang is not an officer of the corporation, does not serve on the Board of Directors, and is included in this table as a part of our related party disclosure as she is the spouse of the CEO, Mr. Warren Wang.

(3) This compensation was in the form of commissions paid for directly generated new business without the involvement of Company sales staff

### Employment Contracts

The Company currently does not have any active employment agreement(s) with any employee associated with the Company.

It is the Company's intent to enter into an employment contract in the near future with its CEO and Founder, Mr. Warren Wang as well as any other employee(s) or contractor(s) determined by the Board of Directors to be critical to the Company's future operations.

### Non-Statutory Stock

The Company does not currently have any type of stock based compensation, award, or incentive plan document but plans to create such a plan in the near future in consultation with and the approval of our Compensation Committee.

## **Compensation Plan**

The Company's current compensation plan for key individuals is as follows:

The Compensation Committee intends (as already noted) to create a stock based compensation and incentive plan in the near future that would address performance of Board of Director(s) duties as well as reward employee job performance.

The Compensation Committee plans to formalize a compensation plan in the near future in consultation with and the approval of our Compensation Committee.

## **Code of Conduct**

The Company has adopted a code of conduct for the ethical behavior of its directors, officers and employees in the course of the Company's business.

## **Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters**

*The following table sets forth certain information as of the date of this Filing with respect to the beneficial ownership of the Company's Common Stock and Warrants by all persons known by the Company to be beneficial owners of more than 5% of any such outstanding classes. Unless otherwise specified, the named beneficial owner has, to the Company's knowledge, sole voting and investment power.*

Title Of Class	Name, Title and Address of Beneficial Owner of Shares	Amount of Beneficial Ownership(1)	Percent of Class	
			Before Offering	After Offering
Common	Warren Wang, CEO, Chairman of the Board, Director(2)	978,393	23.0%	7.89%
Common	Brett Roper, COO & Secretary of the Board of Directors (3)	62,500	00.3%	00.1%
Common	Paul Dickman, CFO (3)	50,000	0.00%	00.1%
Common	James Toreson, Director (3)			

Notes:

1. As used in this table, “beneficial ownership” means the sole or shared power to vote, or to direct the voting of, a security, or the sole or share investment power with respect to a security (i.e., the power to dispose of, or to direct the disposition of a security). Current Ownership (options included) currently stands at 12,403,736 shares of common stock (includes options).

2. The address for Warren Wang is c/o ChineseInvestors.com, Inc., 150 North Santa Anita Ave., Suite 300, Arcadia, California, 91006. Mr. Wang currently has 312,500 Options (related to the repurchase of shares as previously disclosed) exercisable at \$0.80 per option over a four-year time period (78,125 per year) after the Company is listed (BB or equal) and trading.

3. The address for Brett Roper, Paul Dickman and James Toreson is 4880 Havana Street, Suite 102, Denver, CO 80239. These shares were awarded to Mr. Roper by Hollingsworth LLC in May 2002 for services performed for that entity. Mr. Dickman received his shares as part of the Company’s incentive compensation arrangement with him. Mr. Roper and Mr. Dickman have no other stock related interests in the Company.

4. The offering referred to above was the convertible preferred share offering which resulted in the Company selling 2,003,776 shares of preferred stock that could be converted into an additional 2,504,720 shares of common stock after all applicable restriction periods end.

5. In addition the company is in the process of an offerings of convertible preferred shares offering which has resulted in the Company selling 1,885,000 shares of Class B preferred stock that can be converted into an additional 4,241,250 shares of common stock after all applicable restriction periods end.

### Item 13. Certain Relationships and Related Transactions, and Director Independence

The board of directors must approve all related party transactions. All material related party transactions will be made or entered into on terms that are no less favorable to us than can be obtained from unaffiliated third parties. As of May 31, 2014 the Company had outstanding commission payable to various officers of \$256,890. These payable do not bear interest and are treated by the Company as standard payables.

*Director Independence*

James S. Toreson is our only non-employee director, and our board of directors has determined that he meets the qualification of being an independent pursuant to the current SEC guidelines. The Board has adopted the NASDAQ® definition of an independent director. Under those rules, Mr. Toreson would be considered independent if he is not an employee of the Company and he does not have a relationship with the Company that would interfere with his exercise of independent judgment in acting as a director of the Company. Mr. Toreson has advised Messrs. Wang and Roper that he has no such relationship that would interfere with his exercising independent judgment as a director of the Company.

*Medicine Man Technologies*

The Company performed organizational, advisory and financing services for Medicine Man Technologies, Inc., a Nevada corporation, in exchange for 2,800,000 shares of common stock of Medicine Man Technologies. As of May 31, 2015, those shares had a value of 41¢ per share for a total value of our shares in Medicine Man Technologies of \$1,148,000. The Company did not make a cash equity investment in Medicine Man Technologies, but we did advance funds to Medicine Man Technologies, all of which has been repaid. The Medicine Man Technologies stock had nominal value at the time that it was issued.

Brett Roper, our chief operating officer, also acts as the chief operating officer of Medicine Man Technologies, and Paul Dickman, our chief financial officer, also acts as the chief financial officer of Medicine Man Technologies. Both Mr. Roper and Mr. Dickman have been able to discharge their obligations for us and for Medicine Man Technologies without conflict. Mr. Roper and Mr. Dickman will have to make a choice between their positions with us and with Medicine Man Technologies if a conflict of time or interest were to arise.

## Item 14. Principal Accounting Fees and Services

### Audit Fees

The following table sets forth the aggregate fees billed by our auditors, B. F. Borgers CPA, PC in fiscal year 2014 and fiscal year 2013. Our Board of Directors has considered these fees and professional services rendered compatible with maintaining the independence of that firm.

	For Year Ending May 31,	
	2015	2014
Audit Fees (1)	\$25,000	\$20,000
Audit-Related Fees (2)	15,000	15,000
Tax Fees (3)	1,000	1,000
Totals	\$41,000	\$36,000

- (1) Audit Fees consist of fees for the audit of our annual financial statements, review of our interim financial statements and review in connection with our statutory and regulatory filings.
- (2) Audit-Related Fees consist of fees related to assurance and related services that are reasonably related to the performance of the audit or review of our financial statements and are not reported under "Audit Fees".
- (3) Tax Fees consist of fees related to tax compliance, tax advice, and tax planning.

## Item 15. Subsequent Events

Subsequent to filing the original annual report on Form 10-K, the Company obtained long term debt of \$660,000 from various individuals, secured by 660,000 shares of stock of Medicine Man Technologies, Inc. These notes currently have an interest rate of a minimum of 9% annually, but the interest rate may increase based upon the performance of the collateral in particular if it becomes liquid in the future. The notes have a stated term of eighteen months and are payable in March 2017. We issued 650,000 shares of our 6% preferred stock at \$1 per share for a total capital raise of \$650,000 subsequent to the end of our fiscal year on May 31, 2015. Each share of the preferred stock is convertible to

a share of our common stock.

**Part IV**

**Item 15. Exhibits, Financial Statement Schedules**

**(b) Exhibits.**

<b>Exhibit Number</b>	<b>Exhibit Description</b>
31.1*	Certification of the Principal Executive Officer Pursuant to 17 CFR 240.13a-14(a), as Adopted Pursuant to §302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of the Principal Financial Officer Pursuant to 17 CFR 240.13a-14(a), as Adopted Pursuant to §302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to §906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.

\* Filed or “Furnished” herewith.

**CHINESEINVESTORS.COM, INC.**

**FINANCIAL STATEMENTS**

**FOR THE YEARS ENDED MAY 31, 2015 AND 2014**

**INDEX TO CONSOLIDATED FINANCIAL STATEMENTS**

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

**To the Board of Directors and Stockholders of ChineseInvestors.com, Inc.:**

We have audited the accompanying balance sheets of ChineseInvestors.com, Inc. (“the Company”) as of May 31, 2015 and 2014 and the related statements of operations, stockholders’ equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ChineseInvestors.com, Inc., as of May 31, 2015 and 2014, and the results of its operations and its cash flows for the years then ended, in conformity generally accepted accounting principles in the United States of America.

The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the Company's internal control over financial reporting. Accordingly, we express no such opinion.

/s/ B.F. Borgers CPA PC

**B F Borgers CPA PC**  
Denver, CO

August 28, 2015

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## CHINESEINVESTORS.COM, INC

## BALANCE SHEETS

Expressed in U.S. Dollars

	May 31, 2015	May 31, 2014
Assets		
Current assets		
Cash and cash equivalents	\$498,189	\$429,199
Accounts receivable, net	101,918	17,422
Investments, available for sale, in affiliate	1,148,000	—
Investments, available for sale	301,491	2,331,139
Note receivable - affiliate	—	17,648
Prepaid taxes	33,165	58,963
Other current assets	91,634	26,404
Total current assets	2,174,397	2,880,775
Non-current assets		
Property and equipment, net	9,783	22,960
Website development, net	79,644	94,278
Total non-current assets	89,427	117,238
Total assets	\$2,263,824	\$2,998,013
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$22,811	\$53,986
Accounts payable - due in stock	114,800	99,702
Deferred revenue	206,565	342,742
Unearned revenue paid in stock	173,611	545,491
Unearned revenue paid in cash	—	120,208
Accrued liabilities	65,844	78,545
Accrued dividend	34,947	—
Short-term debt	—	440,000
Accrued interest	—	11,068
Total current liabilities	618,578	1,691,742
Non-current liabilities		
Long-term deferred revenue	48,767	80,777
Total liabilities	667,345	1,772,519
Shareholders' equity		

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Preferred stock, class A, \$0.001 par value 20,000,000 authorized, 905,000 and 1,285,000 were issued and outstanding at May 31, 2015 and May 31, 2014, respectively	905	1,285
Preferred stock, class B, \$0.001 par value 20,000,000 authorized, 1,885,000 and 0 were issued and outstanding at May 31, 2015 and May 31, 2014, respectively	1,885	—
Common stock \$0.001 par value 80,000,000 authorized and 7,724,305 and 7,199,305 were issued and outstanding May 31, 2015 and May 31, 2014, respectively	7,725	7,200
Additional paid-in capital	13,971,170	10,587,500
Foreign currency gain	536	1,350
Unrealized gain/(loss) on investments available for sale	531,631	(291,984 )
Accumulated deficit	(12,917,373)	(9,079,857 )
Total Shareholders' deficit	1,596,479	1,225,494
 Total liabilities and shareholders' equity	 \$2,263,824	 \$2,998,013

*See accompanying notes*

## CHINESEINVESTORS.COM, INC

## STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIENCY)

*Expressed in U.S. Dollars*

	Common Stock		Preferred Stock "A"		Preferred Stock "B"		Additional Paid in	Foreign Currency Gain (Loss)	Unrealized Gain on Securities	Stockhold Deficit
	Shares	Amount	Shares	Amount	Shares	Amount	Capital			
Balance-May 31, 2013	5,969,585	5,970	2,003,776	2,004			10,320,823	1,306	75,166	(10,229)
Stock based compensation	300,000	300					250,200			
Stock issued for services	18,750	19					16,669			
Conversion of preferred stock to common stock	910,970	911	(718,776 )	(719 )			(192 )			
Unrealized gain on available for sale securities									(367,150)	
Unrealized foreign currency gain								44		
Net income										1,149,5
Balance-May 31, 2014	7,199,305	7,200	1,285,000	1,285	—	—	10,587,500	1,350	(291,984)	(9,079,8
Stock based compensation	50,000	50					24,950			
Preferred stock issued for cash					1,885,000	1,885	1,883,115			
Deemed dividend associated with preferred stock issuance							1,475,700			
Conversion of preferred stock to common stock	475,000	475	(380,000 )	(380 )			(95 )			
Unrealized gain on									823,615	

available for											
sale securities											
Unrealized											
foreign								(814 )			
currency gain											
Net income											(3,837,5
Balance-May											
31, 2015	7,724,305	\$7,725	905,000	\$905	1,885,000	\$1,885	\$13,971,170	\$536	\$531,631	\$(12,917	

See accompanying notes

## CHINESEINVESTORS.COM, INC

## STATEMENT OF COMPREHENSIVE (LOSS) AND INCOME

For the Twelve Months Ended May 31, 2015 and 2014

Expressed in U.S. Dollars

	<i>Twelve Months Ended</i>	
	<i>May 31,</i>	
	2015	2014
Operating revenues		
Investor relations	\$ 1,838,550	\$ 3,166,516
Subscription	590,097	722,887
Other	13,025	13,000
Total revenue	2,441,672	3,902,403
Cost of services	1,011,349	821,248
Gross profit	1,430,323	3,081,155
Operating expenses		
General and administrative	1,553,936	1,684,167
Advertising	359,538	195,131
Total operating expenses	1,913,474	1,879,298
Net profit/(loss) from operations	(483,151 )	1,201,857
Other income/(expense)		
Debt Forgiveness	99,702	—
Interest expense	(59,316 )	(111,407 )
Net realized gain/(loss) on marketable equity securities	(1,884,104)	59,140
Total other expense	(1,843,718)	(52,267 )
Net income/(loss)	(2,326,869)	1,149,590
Preferred stock dividend	(34,947 )	—
Preferred deemed dividend	(1,475,700)	—
Net income/(loss) attributable to common shareholders	(3,837,516)	1,149,590
Earnings per share attributable to common shareholders:		
Basic loss per share	(0.51 )	0.16
Weighted average shares outstanding		
Weighted average number of shares outstanding - basic & diluted	7,477,661	7,199,305

Other comprehensive income/(loss)		
Net unrealized gain/(loss) on available for sale securities	823,615	474,075
Comprehensive income	(3,013,901)	1,623,665

*See accompanying notes*

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**Chineseinvestors.Com, Inc.****STATEMENTS OF CASH FLOWS****(AUDITED)**

	For the Years Ended May 31,	
	2015	2014
<b>OPERATING ACTIVITIES</b>		
Net income (loss) for the twelve month period	\$(2,326,869)	\$1,149,590
Adjustments to reconcile net income (loss) to net cash used in operating activities		
Non-cash revenues received as available for sale securities	(1,485,696)	(2,341,960)
Realized gain (loss) on investment	1,884,104	(59,140 )
Gain on extinguishment of debt	(99,702 )	
Stock paid for compensation	25,000	250,500
Stock paid for services	—	16,688
Depreciation and amortization	24,264	32,043
Accounts receivable	(84,496 )	(13,755 )
Deposit	(65,230 )	7,391
Prepaid taxes	25,798	(58,963 )
Notes payable related party	17,648	(17,648 )
Accounts payable	(31,175 )	48,625
Commissions Payable	114,800	99,702
Accrued interest expense	(11,068 )	
Other accrued liabilities	(13,515 )	(22,437 )
Deferred revenue	(168,187 )	22,256
Unearned revenue paid in cash	(120,208 )	120,208
Net cash used in operations	(2,314,532)	(766,900 )
<b>INVESTING ACTIVITIES</b>		
(Purchase of), sale of assets, net	3,548	(49,587 )
Proceeds for the sale of available for sale securities	934,974	594,244
Net cash provided by (used in) investing activities	938,522	544,657
<b>FINANCING ACTIVITIES</b>		
Proceeds of principal from short-term debt	—	880,000
Payments of principal on long-term debt	(440,000 )	(440,000 )
Cash raised by sale of class "B" preferred stock	1,885,000	—
Net cash proved by financing activities	1,445,000	440,000
Decrease in cash and cash equivalents	68,990	217,757
Cash and cash equivalents beginning of year	429,199	211,442

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Cash and cash equivalents end of year	498,189	429,199
Supplemental disclosure of cash flow information		
Cash paid for interest	24,369	160,453
Cash paid for China representation office tax	60,184	47,438
Non cash revenue paid in available for sale securities	(1,485,696)	(2,341,960)

*See accompanying notes are an integral part of these statements*

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## NOTES TO THE FINANCIAL STATEMENTS

(AUDITED)

### **Organization and Nature of Operations:**

**Business Description** – Chinseinvestors.com, Inc. (the “Company”) was incorporated on June 15, 1999 in the State of California. The Company is a provider of Chinese language web-based real-time financial information. The Company’s operations had been located in California until September 2002 at which time the operations were relocated to Shanghai, in the People’s Republic of China (PRC).

During May, 2000, the Company entered into an agreement with MAS Financial Corp. (“MASF”) whereby MASF agreed to transfer control of a public shell corporation to the Company and perform certain consulting services for a fee of \$30,000.

During June, 2000, the Company completed reorganization with MAS Acquisition LII Corp. (“MASA”) with no operations or significant assets. Pursuant to the terms of the agreement, the Company acquired approximately 96% of the issued and outstanding common shares of MASA in exchange for all of its issued and outstanding common stock. MASA issued 8,200,000 shares of its restricted common stock for all of the issued and outstanding common shares of the Company. This reorganization was accounted for as though it were a recapitalization of the Company and sale by the Company of 319,900 shares of common stock in exchange for the net assets of MASA. In conjunction with the reorganization MASA changed its name to Chineseinvestors.com, Inc.

The Company is now incorporated as a C corporation in the State of Indiana as of June 1, 1997.

### **1. Liquidity and Capital Resources:**

**Cash Flows** – During the year ending May 31, 2015, the Company primarily utilized cash and cash equivalents and proceeds from issuances of its common and preferred stock to fund its operations. The Company received \$1,885,000 and \$0 of proceeds from the sale of Class “B” preferred stock during the years ended May 31, 2015 and May 31, 2014, respectively.

Cash flows used in operations for the years ended May 31, 2014 and 2013 were (\$2,314,532) and (\$749,252), respectively, which was an increase from prior years. The increase of cash used in operations was primarily caused by the net loss offset by increase in cash raised through financing activities.

Capital Resources – As of May 31, 2015, the Company had cash and cash equivalents of \$498,189 as compared to cash and cash equivalents of \$429,199 as of May 31, 2014.

Since inception in 1997, the Company has primarily relied upon proceeds from private placements of its equity securities to fund its operations. The Company anticipates continuing to rely on sales of our securities in order to continue to fund business operations. Issuances of additional shares will result in dilution to its existing stockholders. There is no assurance that the Company will be able to complete any additional sales of our equity securities or that it will be able arrange for other financing to fund our planned business activities.

## **2. Critical Accounting Policies and Estimates:**

Basis of Presentation – These accompanying financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) and pursuant to the rules and regulations of the Securities and Exchange Commission for annual financial statements.

Investment in Affiliate – The Company invested in an affiliate during April 2014, implementing the equity method of accounting. The Company received its ownership in return for supporting the company during its formational stage and no cash, as such the stock received had a value of zero and the affiliate generated a loss through May 31, 2014. The Company has no further commitment to fund losses, therefore management has deemed it proper to discontinue applying the equity method for the investment as defined by Accounting Standards Codification (“ASC”) 323-10-35-20 for the year ended May 31, 2014. In 2015 the affiliate company issued additional stock, diluting the Company’s position and restructured the management of the entity causing the Company to determine that it no longer had “significant influence” over its operations. The Company then started accounting for the stock owned as an available for sale security. The Company’s basis in the stock was \$0. The fair value of the Company’s holdings was determined by an independent valuation report on the overall entity as of May 31, 2015 to be (\$0.41\*2,800,000 ) \$1,148,000. This value is presented on the balance sheet as an asset and an unrealized gain for this amount is included in Unrealized gain/(loss) on trading securities in the equity section of the balance sheet. The Company determined that this asset should be consider a level three fair value instrument.

Foreign Currency – The Company has operations in the PRC, however the functional and reporting currency is in US dollars. To come to this conclusion the Company considered the direction of ASC section 830-10-55.

Selling Price and Market – As a representative office is located in the PRC, the Company is not allowed to sell directly to PRC based customers. Over 90% of its customers are in the United States and 100% of all sales are paid in US dollars. This indicates the functional currency is US dollars.

Financing – The Company's financing has been generated exclusively in US dollars from the United States. This indicates the functional currency is US dollars.

Expenses – The majority of expense are paid in US dollars. The expenses generated in PRC are paid by a monthly or weekly cash transfer from the US when the expenses are due, resulting in very little foreign currency exposure. This indicates the functional currency is US dollars.

Numerous Intercompany Transactions – The Company has multiple transactions each month between the US and Chinese representative office. This indicates the functional currency is US dollars

Due to the functional and reporting currency both being in US dollars, ASC 830-10-45-17 states that a currency translation is not necessary.

Revenue recognition — Revenue was derived from six different sources:

The Company recognizes revenue pursuant to revenue recognition principles presented in SAB Topic 13. First, persuasive evidence of an arrangement. Second, deliver has occurred or services have been rendered, thirdly the seller's price to the buyer is fixed or determinable and lastly collectability is reasonably assured.

The Company recognizes revenue pursuant to revenue recognition principles presented in SAB Topic 13. First, persuasive evidence of an arrangement. Second, delivery has occurred or services have been rendered, thirdly the seller's price to the buyer is fixed or determinable and lastly collectability is reasonably assured.

1. Fees from banner advertisement, webpage hosting and maintenance, on-line promotion and translation services, advertising and promotion fees for customers in the Company's Chinese Investment Guides, sponsorship fees from investment seminars, road shows, and forums. The sales prices of these services are fixed and determinable at the time the contracts are signed and there are no provisions for refunds contained in the contracts. These revenues are recognized when all significant contractual obligations have been satisfied and collection of the resulting receivable is reasonably assured.

2. Fees from membership subscriptions: these revenues are recognized over the term of the subscription. Subscription terms are generally between 3 and 12 months but can occasionally be as short as 1 month or as long as 24 months. Long term deferred revenues are recognized from subscriptions over 12 months.

3. Fees related to setting up and providing ongoing administrative and translation support for currency trading accounts are in association with Forex. These fees are recognized when earned.

4. Investor relations income is earned by the Company in return for delivering current, publicly available information related to our client companies. These revenues are prepaid by the client company and as such are initially recorded as an asset with an offsetting unearned revenue liability. This revenue is recognized over the term of the services period while the services are being provided. The value of the revenue earned is recognized every quarter based upon the client company's stock closing price multiplied by the numbers of shares earned within that specific accounting period. By recognizing the revenue incrementally we are following the guidelines of SAB Topic 13, in that we are only recognizing revenue once the value of the revenue received is fixed and determinable. In addition we are applying the definition of readily determinable fair value presented at Accounting Standards Codification 820-10-15-5 in assessing the amount to recognize in each accounting period. The number of shares earned is a function of the time period for which services are provided over the contract period in relation to the price of the shares at the time of the services being delivered, added to the value of cash received if any, then recognized as revenue in the period the services were delivered.

Costs of Services Sold – Costs of services sold are the total direct cost of the Company's operations in Shanghai.

Website Development Costs – The Company accounts for its Development Costs in accordance with ASC 350-50, "Accounting for Website Development Costs." The Company's website comprises multiple features and offerings that are currently developed with ongoing refinements. In connection with the development of its products, the Company has incurred external costs for hardware, software, and consulting services, and internal costs for payroll and related expenses of its technology employees directly involved in the development. All hardware costs are capitalized as fixed assets. Purchased software costs are capitalized in accordance with ASC codification 350-50-25 related to accounting for the costs of computer software developed or obtained for internal use. All other costs are reviewed to determine whether they should be capitalized or expensed.

Cash and Cash Equivalents – The Company considers all highly liquid instruments with an original maturity of three months or less to be cash equivalents. At certain times, cash in bank may exceed the amount covered by FDIC insurance. At May 31, 2015 and 2014 there were deposit balances in a United States bank of \$496,828 and \$427,190 respectively. In addition, the Company maintains cash balance in The Bank of China, which is a government owned bank. The full balance of the deposits in China is secured by the Chinese government. At May 31, 2015 and 2014 there were deposits of \$1,361 and \$2,009, respectively, in The Bank of China.

Accounts Receivable and Concentration of Credit Risk – The Company extends unsecured credit to its customers in the ordinary course of business. Accounts receivable related to subscription revenue is recorded at the time the credit card transaction is completed, and is completed when the merchant bank deposits the cash to the Company bank account. Revenues related to advertising and Forex are regularly collected within 30 days of the time of services being rendered. However, since these are ongoing contracts, there has been no instance of failure to pay. As of May 31, 2015 and May 31, 2014, the Company had accounts receivable of \$101,918 and \$17,442, respectively. Of the total accounts receivable balance, values due in stock were \$93,750 and \$0 in May 31, 2015 and 2014 respectively. Accounts receivable due in cash were \$8,168 and \$17,442 at May 31, 2015 and 2014 respectively.

The Company evaluates the need for an allowance for doubtful accounts on a regular basis. As of May 31, 2015 and 2014, the Company determined that an allowance was not needed.

The operations of the Company are located in the People's Republic of China ("PRC"). Accordingly, the Company's business, financial condition, and results of operations may be influenced by the political, economic, and legal environments in the PRC, as well as by the general state of the PRC economy.

Note receivable – affiliate – The note receivable – affiliate is related to expenses covered on Medicine Man Technologies behalf as the company was being established. As of May 31, 2015 and May 31, 2014 the total outstanding was \$0 and \$17,648, respectively. The entire balance was repaid in the first quarter of 2015.

Investments, available for sale, in affiliate – The Company invested in an affiliate during April 2014, implementing the equity method of accounting. The Company received its ownership in return for supporting the company during its formational stage and no cash, as such the stock received had a value of zero and the affiliate generated a loss through May 31, 2014. The Company has no further commitment to fund losses, therefore management has deemed it proper to discontinue applying the equity method for the investment as defined by Accounting Standards Codification ("ASC") 323-10-35-20 for the year ended May 31, 2014. In 2015 the affiliate company issued additional stock, diluting the Company's position and restructured the management of the entity causing the Company to determine that it no longer had "significant influence" over its operations. The Company then started accounting for the stock owned as an available for sale security. The Company's basis in the stock was \$0. The fair value of the Company's holdings was determined by an independent valuation report on the overall entity as of May 31, 2015 to be (\$0.41\*2,800,000) \$1,148,000. This value is presented on the balance sheet as an asset and an unrealized gain for this amount is included

in unrealized gain/(loss) on trading securities in the equity section of the balance sheet. The Company determined that this asset should be consider a level three fair value instrument.

Investments available for sale – Investments available for sale is comprised of publicly traded stock received in return for providing investor relations services to client companies. The investor relations services range from one month to a year, from the inception of the contract. The Company considers the securities to be liquid and convertible to cash in under a year. The Company has the ability and intent to liquidate any security that the Company holds to fund operations over the next twelve months, if necessary, and as such has classified all of its marketable securities as short-term.

The Company followed the guidance of ASC 320-10-30 to determine the initial measure of value based on the quoted price of an otherwise identical unrestricted security of the same issuer, adjusted for the effect of the restriction, in accordance with the provisions of topic 820-10-15-5, which states that an equity security has a readily determinable fair value if it meets the condition of having a “sales prices or bid-and-asked quotations which are currently available on a securities exchange registered with the U.S. Securities and Exchange Commission (SEC) or in the over-the-counter market, provided that those prices or quotations for the over-the-counter market are publicly reported by the National Association of Securities Dealers Automated Quotation systems or by the OTC Markets Group Ins. Restricted stock meets that definition if the restriction terminates within one year.” These shares were classified as available for sale securities in accordance with ASC 948-310-40-1 as the Companies intention is to sell them in the near-term (less than one year). In compliance with ASC 320-10-35-1, equity securities that have readily determinable fair values that are classified as available-for-sale shall be measured subsequently at fair value in the statement of financial position. Unrealized holding gains and losses for Available-for-sale securities (including those classified as current assets) shall be excluded from earnings and reported in other comprehensive income until realized."

As these shares will be earned over the term of the contracts, the Company will defer the recognition of the earnings of the revenue over the period the services are performed. The value recorded will be determined by multiplying the average of the closing price on the last day of the month for the period being reported based on closing market price per share.

Upon receipt, these shares were recorded as an asset on the Companies financials as "Investments, available for sale". The Company will also record a corresponding contra-asset account titled "Unearned Revenue paid in stock".

Prepaid taxes – A percentage of the Company's aggregate gross amount of reportable payment transactions settled through one of the Company's merchant banks were withheld and remitted to the Internal Revenue Service (IRS) under IRS regulation Section 6050W. The Company has filed the tax returns to request a refund the withholdings as management does not believe the Company's revenue transactions fall within the rules of Section 605W. Management expects to receive a full refund of the entire \$33,165 as of May 31, 2015 (\$58,963 as of May 31, 2014) withheld.

Other Current Assets – Other current assets is comprised of deposits in Chinese Renminbi on building space under an operating lease and are stated at the current exchange rate at year end.

Other current assets were \$91,634 and \$26,404 for the years ended May 31, 2015 and May 31, 2014, respectively.

Property and Equipment – Property and equipment are stated at cost. Depreciation and amortization of property and equipment is provided using the straight-line method over estimated useful lives ranging from three to five years. Leasehold improvements are amortized over the life of the lease. Depreciation and amortization expense was \$24,264 and \$32,043 for the years ended May 31, 2015 and 2014, respectively.

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Gains and losses from retirement or replacement are included in operations.

Impairment of Long-life Assets – In accordance with ASC Topic 360, the Company reviews its long-lived assets, including property and equipment, for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets may not be fully recoverable. If the total of the expected undiscounted future net cash flows is less than the carrying amount of the asset, a loss is recognized for the difference between the fair value and carrying amount of the asset. There was no impairment as of May 31, 2015 and May 31, 2014.

Commissions payable – In the 2014 year the Company agreed to pay one of its sales consultants a percentage of the total value of stock received, as measured when the revenue transaction took place, as compensation for IR work, the balance May 31, 2014 was \$99,702. During the year ended May 31, 2015 the company determined that it no longer had a legal obligation to pay this commission due to a breach of contract by him. Therefore, the company wrote off the liability of \$99,702 and recorded a gain on extinguishment of debt on the income statement.

In 2015 the company agreed to pay one of its executive a commission based upon his work related to Medicine Man Technologies, of 10% of the value of the stock the company received in the affiliate. The Company received

2,800,000 shares of stock during the transaction and agreed to pay the executive a value equal to 10% of the share price received as of May 31, 2015. The Company determined the value of the investment in affiliate (Medicine Man Technologies, Inc.) and the related accounts payable was \$.41 per share according to the independent valuation at May 31, 2015. Based upon this valuation the Company recorded a liability of commissions payable of \$114,800 ( $2,800,000 \times 10\% = 280,000 \times \$0.41 = 114,800$ ) on its currently balance sheet. This liability will be repaid on a prorated basis as the stock is sold.

Unearned revenue, revenue paid in cash – The Company received cash, in advance as payment for investor relations work that the Company will be providing through May 2016. The amount unearned was \$0 at May 31, 2015 as compared to \$120,208 at May 31, 2014. As the Company earns the fee for this work, this balance will be reduced to reflect the portion still to be earned.

Unearned revenue, revenue paid in stock – During fiscal year 2014, the Company received shares of stock and warrants as payment for investor relations work that the Company will be providing through May 2016. The stock that had not been earned was valued at \$173,611 at May 31, 2015 and \$545,491 at May 31, 2014. As the Company earns the fee for this work, this balance will be reduced to reflect the portion still to be earned.

Accrued interest – The accrued interest balance represents interest payable for short term debt outstanding. Accrued interest was \$0 and \$11,068 for the period ending May 31, 2015 and May 31, 2014.

Accrued dividend – The accrued dividend balance represents dividend payable related to the Class “B” preferred stock. Accrued dividends were \$34,947 and \$0 for the period ending May 31, 2015 and May 31, 2014.

Accrued Liabilities – Accrued liabilities are comprised of the following:

	May 31, 2014	May 31, 2013
China Employees Salaries and Commissions Accrual	\$50,779	\$60,908
Representative Office Tax Accrual	3,835	10,524
Other Accruals	11,230	7,113
	\$65,844	\$78,545

Short-term Debt - During 2014, the Company obtained short term debt of \$440,000 from various individuals, secured by 100,000 shares of the Company owned stock in Nova Lifestyles, Inc. These notes were repaid during the quarter ending February 28, 2014. The Company then obtained an additional \$440,000 in short term debt from various individuals, secured by 50,000 shares of common stock of NVFY and 40,000 shares of DHRM. The lender received an incentive of 25% appreciation of the stock value for NVFY and DHRM at the maturity of the short-term notes, 15 months after inception. All notes were repaid with interest in the quarter ending February 28, 2015. There was no

balance outstanding as of May 31, 2015.

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*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 and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The financial statements include some amounts that are based on management's best estimates and judgments. The most significant estimates relate to depreciation and useful lives, and contingencies. These estimates may be adjusted as more current information becomes available, and any adjustment could be significant.

*Fair Value of Financial Instruments* – The Company has adopted the provisions of ASC Topic 820, Fair Value Measurements, which defines fair value, establishes a framework for measuring fair value in GAAP, and expands disclosures about fair value measurements. ASC 820 does not require any new fair value measurements, but provides guidance on how to measure fair value by providing a fair value hierarchy used to classify the source of the information. The fair value hierarchy distinguishes between assumptions based on market data (observable inputs) and an entity's own assumptions (unobservable inputs). The hierarchy consists of three levels:

Level one – Quoted market prices in active markets for identical assets or liabilities;

Level two – Inputs other than level one inputs that are either directly or indirectly observable; and

Level three – Unobservable inputs developed using estimates and assumptions, which are developed by the reporting entity and reflect those assumptions that a market participant would use.

Much of the Company's financial instruments are level one and are carried at market value, requiring no adjustment to book value. The financial instruments classified as level one were deemed to qualify as that classification because their value was determined by the price of identical instruments traded on an active exchange. It should be noted that 60,000 shares of the stock earned for consulting work, currently being held qualifies as a Level two instrument and has a book value of \$67,500. The Company determined that the instrument was Level two because the market for this instrument was less active, as it was currently being distributed through a private placement memorandum, and was not a freely trading public stock. The value of the stock has been verified to be consistent with the carrying value and, therefore, not requiring an adjustment.

Level one instruments were based upon stated balance of financial institution or calculated based upon stock trading in the public market. Level two instruments were calculated based upon the sale of stock through a private placement at arms-length where our shares were an insignificant amount of the total volume of stock sold in the issuer. Level three financial instruments were valued by a professional independent appraiser hired by the Company to determine the

valuation.

The following table summarizes the assets we are carrying and the fair value category in which they are currently classified:

	May 31, 2015			May 31, 2014	
	Level 1	Level 2	Level 3	Level 1	Level 2
Cash	498,189	–	–	429,199	–
Investments	233,991	67,500	1,148,000	2,263,639	67,500
Total Financial Instruments	732,180	67,500	1,148,000	2,629,838	60,000

As of May 31, 2014 the company had a zero balance of level three financial instruments. Due to a change in control of stock owned by the Company 2,800,000 shares of stock held in a private company that had been acquired with a zero basis were valued at market value of \$0.41 per share resulting in a gain of \$1,148,000 which represents the value recorded as a level three financial instrument at May 31, 2015.

*Income Taxes* – Income taxes are accounted for under the asset and liability method of ASC 740. Deferred tax assets and liabilities are recognized for net operating loss and other credit carry forwards and the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which the tax effect of transactions are expected to be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statements of operations in the year that includes the enactment date.

Deferred tax assets are reduced by a full valuation allowance since it is more likely than not that the amount will not be realized. Deferred tax assets and liabilities are classified as current or noncurrent based on the classification of the underlying asset or liability giving rise to the temporary difference or the expected date of utilization of the carry forwards.

*Advertising Costs* – Advertising costs are expensed when incurred. Advertising costs totaled \$359,538 and \$195,131 in the years ended May 31, 2015 and 2014, respectively.

*Earnings (Loss) Per Share* – Earnings (loss) per share is computed using the weighted average number of common shares outstanding during the period. The Company has adopted ASC 260 (formerly SFAS128), “Earnings Per Share”.

*Stock Based Compensation* – The Company accounts for share-based payments pursuant to ASC 718, “Stock Compensation” and, accordingly, the Company records compensation expense for share-based awards based upon an assessment of the grant date fair value for stock options and restricted stock awards using the Black-Scholes option pricing model.

Stock compensation expense for stock options is recognized over the vesting period of the award or expensed immediately under ASC 718 and EITF 96-18 when stock or options are awarded for previous or current service without further recourse. The Company issued stock options to contractors and external companies that had been providing services to the Company upon their termination of services. Under ASC 718 and EITF 96-18 these options were recognized as expense in the period issued because they were given as a form of payment for services already rendered with no recourse.

Share based expense paid to through direct stock grants is expensed as occurred. Since the Company’s stock is publicly traded, the value is determined based on the number of shares issued and the trading value of the stock on the date of the transaction. The company recognized \$25,000 in expenses for stock based compensation to the Company Chief Financial Officer through direct stock grants of 50,000 shares.

Stock option activity was as follows (converted post reverse split):

	<b>Number of Shares</b>	<b>Weighted Average Exercise Price (\$)</b>
Balance at May 31, 2013	389,039	0.48
Granted	—	
Exercised		
Forfeited or expired	—	—
Balance at May 31, 2014	389,035	\$ 0.48
Granted		
Exercised	—	—
Forfeited or expired	—	—
Balance at May 31, 2015	389,035	\$ 0.48

The following table presents information regarding options outstanding and exercisable as of May 31, 2015:

Weighted average contractual remaining term – options outstanding	0 years
Aggregate intrinsic value – options outstanding	\$155,614
Options exercisable	389,035
Weighted average exercise price – options exercisable	\$.48
Aggregate intrinsic value – options exercisable	\$7,781
Weighted average contractual remaining term – options exercisable	0 years

As of May 31, 2015, future compensation costs related to options issued was \$0.

The fair value of each option granted is estimated on the date of the grant using the Black-Scholes option pricing model with weighted average assumptions for grants as follows:

Risk-free interest rate	1.44%
Expected life of options	4-5 years
Annualized volatility	90.6%
Dividend rate	0%

*New Accounting Pronouncements* – Upon issuance of final pronouncements, we review the new accounting literature to determine its relevance, if any, to our business. The following final pronouncements will impact our financial statements.

ASU 2015-01 “Income Statement – Extraordinary and Unusual Items” (ASU 2015-01)

In January 2015, the FASB issued ASU 2015-01 eliminating the concept of extraordinary items for presentation on the face of the income statement. Under the new standard, a material event or transaction that is unusual in nature, infrequent or both shall be reported as a separate component of income from continuing operations. Alternatively, it may be disclosed in the notes to financial statements.

The new accounting guidance is required for interim and annual periods beginning after December 15, 2015. Early adoption is permitted if applied from the beginning of a fiscal year. As applicable, this standard may change the presentation of amounts in the income statements. We elected to adopt ASU 2015-01 effective January 1, 2016. Adopting this policy as of June 1, 2014 affected the Company recognizing \$99,702 as a gain from debt forgiveness in the year ending May 31, 2015 as the Company determined that the amount was no longer legally due to a contractor. The Company recognized the \$99,702 as income in the other incomes section of the income statement.

### **3. Stockholders' Equity:**

As of May 31, 2015 and 2014, the Company was authorized to issue 80,000,000 shares of common stock, \$0.001 par value per share. In addition, 20,000,000 shares of \$.001 par value preferred stock were authorized. All common stock shares have full dividend rights. However, it is not anticipated that the Company will be declaring distributions in the foreseeable future.

During the year ended May 31, 2015, the Company converted 380,000 shares of preferred stock for 475,000 shares at a conversion rate of 1.25 per share of preferred stock.

During the year ended May 31, 2015, the Company granted 50,000 shares of common stock for compensation. The stock was valued at \$0.50 per share. The compensation and consulting expense was recorded as general and administrative expenses for the year ended May 31, 2015.

During the year ended May 31, 2014, the Company converted 728,776 shares of preferred stock for 910,970 shares at a conversion rate of 1.25 per share of preferred stock.

During March 2014, the Company granted 300,000 shares of common stock for compensation. Half the shares were valued at \$0.90 per share and the remaining 150,000 shares were valued at \$0.77 per share. The Company also issued 18,750 shares for services valued at \$0.89 per share. The compensation and consulting expense was recorded as general and administrative expenses for the year ended May 31, 2014.

### **Series A Convertible Preferred Stock:**

During the third quarter, effective February 29, 2012, the Company issued 2,003,776 shares of preferred stock as Series A convertible preferred stock for total proceeds of \$2,003,776. The terms of the preferred stock allow the

holder to convert each share of preferred stock into 1.25 shares of common stock at any time after nine months from the date of issuance. The holders of shares of preferred stock were entitled to receive a dividend of \$0.06 per share per annum for the first two years from the issuance of the instruments.

Upon issuance of preferred stock convertible in shares of common stock at a price lower than the fair market value of common stock on the date of issuance, in accordance with the guidance provided in ASC 505-10-50 and Emerging Issues Task Force (“EITF”) No. 00-27, we will record the intrinsic value of this beneficial conversion feature which we calculated to be \$520,982 (\$1.06 common stock price February 29th, 2012 compared to \$0.80 effective conversion rate of \$0.26 per share.  $0.26 \times 2,003,776 = \$520,982$ ), as a deemed dividend recognizable in the current year. This deemed dividend was calculated based upon a closing price on February 29, 2012 (the date the shares were formally accepted by the Company) of \$1.06 per share and an effective sale price (with conversion) per the preferred share agreement of \$0.80 per share of common stock.

### **Series B Convertible Preferred Stock**

The Company issued 1,885,000 shares of preferred stock as Series B convertible preferred stock for total proceeds of \$1,885,000. The terms of the preferred stock allow the holder to convert each share of preferred stock into 2.5 shares of common stock at any time after six months from the date of issuance. The holders of shares of preferred stock shall have the right to one vote for each share of common stock into which such preferred stock could convert. The holders of shares of preferred stock are entitled to receive a dividend of \$0.06 per share per annum for the first two years from the issuance of the instruments which has been recorded as an accrued dividend on the liabilities section of the balance sheet.

No dividends have been declared as of August 28, 2015. However, upon issuance of preferred stock convertible in shares of common stock at a price lower than the fair market value of common stock on the date of issuance, in accordance with the guidance provided in ASC 505-10-50 and Emerging Issues Task Force (“EITF”) No. 00-27, we will record the intrinsic value of this beneficial conversion feature which we calculated to be \$1,475,700 as a deemed dividend on the Company’s income statement. This deemed dividend was calculated based upon a trading price ranging from \$0.45 to \$0.76 per share closing price of trading on the OTCBB exchange where our stock is traded and effective sale price (with conversion) of \$1.13 to \$1.90 per share of common stock. The company has accrued the expense associated with delivering this dividend of 6% resulting in current accrued expense of \$34,947 of accrued liability in the period ending May 31, 2015.

#### 4. Property and Equipment:

Property and equipment are recorded at cost, net of accumulated depreciation and are comprised of the following:

	May 31, 2014	May 31, 2014
Furniture & fixtures	\$75,526	\$72,530
Leasehold improvements	23,417	23,417
	98,943	95,947
Less accumulated depreciation	(89,161)	(72,987)
	\$9,783	\$22,960

Depreciation on equipment is provided on a straight line basis over its expected useful lives at the following annual rates.

Computer equipment	3 years
Furniture & fixtures	3 years
Leasehold improvements	Term of the lease

Depreciation expense for the years ended May 31, 2015 and 2014 was \$16,174 and \$21,576, respectively.

#### 5. Intangible Assets:

Intangible assets are comprised of the following:

	May 31, 2015	May 31, 2014
Website development costs	\$165,374	\$171,918
Less: accumulated amortization	(85,730)	(77,640)
	\$79,644	\$94,278

Amortization is calculated over a straight-line basis using the economic life of the asset. Amortization expense for the twelve months ended May 31, 2014 and 2013 was \$8,090 and \$10,467 respectively.

## 6. Commitments and Concentrations:

The Company reimburses its Chief Executive Officer (CEO) for an apartment pursuant to a month-to-month lease for the use of the CEO and his family in PRC for a monthly expense of approximately \$900. This lease could be terminated at any time with no additional payments required.

Office Lease – Shanghai – The Company entered into a lease for new office space in Shanghai, China. The lease period started October 1, 2013 and will terminate September 31, 2016, resulting in the following future commitments, based on the exchange rate at May 31, 2015 of the following:

2016 fiscal year	\$62,356
2017 fiscal year	20,596

Office Lease – Denver, Colorado – The Company entered into a lease for office space in Denver, Colorado. The lease period started June 1, 2015 and will terminate May 31, 2018, resulting in the following future commitments:

2016 fiscal year	\$16,000
2017 fiscal year	18,687
2018 fiscal year	19,355

The company had a lease for executive office space in Denver, Colorado that was prepaid for six months in the third quarter of 2015 and expired July 31, 2015. However, the company moved into new office space June 1, 2015 and abandoned that location at May 31, 2015. The company expensed the remaining outstanding prepaid rent of \$3,308 at that time.

Office Lease – New York – The Company entered into a lease for executive office space in New York, NY. The Lease period started April 21, 2015 and will terminate July 31, 2016 resulting in the following future commitments:

2016 fiscal year	\$28,521
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Office Lease – San Gabriel, California – The Company entered into a lease for executive office space in San Gabriel, California. The Lease period started April 30, 2015 and will terminate August 1, 2016 resulting in the following future commitments:

2016 fiscal year	\$55,880
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2017 fiscal year 9,313

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**Concentrations** – During the periods ending May 31, 2015 and 2014, the majority of the Company's revenue was derived from its operations in PRC from individuals, primarily in the United States and Canada.

**Litigation** – The Company is involved in legal proceedings from time to time in the ordinary course of its business. As of the date of this filing, the Company is a party to an investigation which, in the opinion of management, upon consideration of corporate council advice, it believes it is reasonably likely to not have an adverse effect on the financial condition, results of operation or cash flow of the Company in the future.

## **7. Income Taxes:**

The Company recorded no income tax provision or benefit for the years ended May 31, 2015 and 2014, because the Company believes it is more likely than not that these will not be utilized in the near future due to net losses. The Company generated no taxable income. The income tax provision (benefit) differs from the amount computed by applying the U.S. Federal income tax rate of 34% plus applicable state rates to the loss before income taxes due to the unrecognized benefit resulting from the Company's valuation allowance, as well as due to nondeductible expenses.

For income tax reporting purposes, the Company has approximately \$5.1 million of net operating loss carry forwards that expire at various dates through 2035. The Tax Reform Act of 1986 contains provisions that may limit the net operating loss carry forwards and tax credits available to be used in any given year if certain events occur, including significant changes in ownership interests. Realization of net operating loss and tax credit carry forwards is dependent on generating sufficient taxable income prior to their expiration dates.

As of May 31, 2015 and 2014, the Company had approximately \$1,606,000 and \$704,000, respectively, of net deferred tax assets, comprised primarily of the potential future tax benefits from net operating loss carry forwards. Based upon the level of historical taxable income and projections for future taxable income over the period in which the deferred tax assets are deductible, management could not conclude that realization of the deferred tax assets as of May 31, 2015 and 2014, was more likely than not, and therefore, the Company has recorded a valuation allowance to reduce the net deferred tax assets to zero. The valuation allowance increased approximately \$902,000 during the year ended May 31, 2015 and decreased approximately \$753,000 during the year ended May 31, 2014, respectively. The amount of deferred tax assets considered realizable could be adjusted in the near term if future taxable income is generated.

The Company's effective tax rate differs from the statutory rate due to the following (expressed as a percentage of pre-tax income):

Description	2015	2014
Federal Statutory Rate	35 %	35 %
State Statutory Rate	5 %	9 %
Change in Rate / Other	2 %	8 %
Permanent Tax Differences	(1 %)	(1 %)
Calculated Rate	41 %	51 %
Actual Calculated Rate	(41 %)	(51 %)
Difference	0 %	0 %

#### 8. Subsequent event:

Management has evaluated all events subsequent to year end through the date of this filing, noting that none materially impacted the financial statements.

## Signatures

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant has duly caused this Amendment No. 1 to Annual Report on Form 10-K/A to be signed on its behalf by the undersigned, thereunto duly authorized.

**ChineseInvestors.com,  
Inc.**  
(Registrant)

Date: February 9, 2016 By: /s/ Paul Dickman  
Paul Dickman  
Chief Financial Officer

Date: February 9, 2016 By: /s/ Wei Wang  
Wei Wang  
Chief Executive Officer