

SECURITIES & EXCHANGE COMMISSION EDGAR FILING

PREMIER HOLDING CORP.

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UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

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

For the Fiscal Year Ended: December 31, 2017

or

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

For the transition period from _____ to _____

Commission file number 000-53824



PREMIER HOLDING CORPORATION

(Exact name of registrant as specified in its charter)

Nevada

State or other jurisdiction
of incorporation or organization

88-0344135

(I.R.S. Employer
Identification No.)

1382 Valencia, Unit F, Tustin, CA 92780

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(949) 260-8070**

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

Title of Each Class	Name of each exchange on which registered
<u>None</u>	<u>N/A</u>

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

Shares of common stock with a par value of \$0.0001

(Title of class)

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted 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 such files). Yes No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) 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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging Growth Company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or

revised financial accounting standards provided pursuant to Section 7(a)(2)(B) of the Securities Act:

The registrant had 526,189,007 shares of common stock outstanding as of October 5, 2018. The aggregate market value of the voting and non-voting common stock held by non-affiliates of the registrant as of June 30, 2017 was \$25,052,562 as computed by reference to the closing price of such common stock on the OTCQB on such date.

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Forward-Looking Statements

This Annual Report on Form 10-K includes a number of forward-looking statements that reflect management's current views with respect to future events and financial performance. Forward-looking statements are projections in respect of future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these terms or other comparable terminology. Those statements include statements regarding the intent, belief or current expectations of us and members of our management team as well as the assumptions on which such statements are based. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risk and uncertainties, and that actual results may differ materially from those contemplated by such forward-looking statements. Forward-looking statements made in this Annual Report on Form 10-K include statements about:

- concentration of our customer base and fulfillment of existing customer contracts;
- our ability to maintain pricing;
- deterioration of the credit markets;
- increased vulnerability to adverse economic conditions due to indebtedness;
- competition within our industry;
- asset impairment and other charges;
- our identifying, making and integrating acquisitions;
- our plans to identify and acquire products that we believe will be prospective for acquisition and development;
- loss of key executives;
- the ability to employ skilled and qualified workers;
- work stoppages and other labor matters;
- inadequacy of insurance coverage for certain losses or liabilities;
- federal legislation and state legislative and regulatory initiatives relating to the energy industry;
- costs and liabilities associated with environmental, health and safety laws, including any changes in the interpretation or enforcement thereof;
- future legislative and regulatory developments;
- our beliefs regarding the future of our competitors;
- our expectation that the demand for our products services will eventually increase; and
- our expectation that we will be able to raise capital when we need it.

These statements are only predictions and involve known and unknown risks, uncertainties and other factors, including the risks in the section entitled "Risk Factors" set forth in this Annual Report on Form 10-K for the year ended December 31, 2017, any of which may cause our company's or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements.

Readers are urged to carefully review and consider the various disclosures made by us in this report and in our other reports filed with the Securities and Exchange Commission. We undertake no obligation to update or revise forward-looking statements to reflect changed assumptions, the occurrence of unanticipated events or changes in the future operating results over time except as required by law. We believe that our assumptions are based upon reasonable data derived from and known about our current business and operations. No assurances are made that actual results of operations or the results of our future activities will not differ materially from our assumptions.

As used in this Annual Report on Form 10-K and unless otherwise indicated, the terms "Premier," "we," "us," "our," or the "Company" refer to Premier Holding Corporation and its Subsidiaries, Energy Efficiency Experts, Inc. ("E3") and The Power Company USA, LLC ("TPC"). Unless otherwise specified, all dollar amounts are expressed in United States dollars.

PART I

ITEM 1. BUSINESS

Corporate History and Overview

We are an energy services holding company. We provide an array of energy services through our subsidiary companies, E3 and TPC. We provide solutions that enable customers to reduce their energy consumption, lower their operating and maintenance costs, and realize environmental benefits. Our comprehensive set of services includes competitive electricity plans and upgrades to a facility's energy infrastructure.

We were incorporated in Nevada on October 18, 1971 under the name of Mr. Nevada, Inc., and following the completion of a limited public offering in April 1972, we commenced limited operations which were discontinued in 1990. Thereafter and through 2012, we reorganized and, on several occasions, sought to merge with or acquire certain active private companies or operations, all of which were terminated or resulted in discontinued negotiations. We have been organized as a holding company that provides financial and management expertise, which includes access to capital, financing, legal, insurance, mergers, acquisitions, joint ventures and management strategies to our subsidiaries. Our common stock is quoted on the OTC Markets Group Inc. QB tier ("OTCQB"), under the symbol "PRHL".

In August of 2012, we acquired a unique marquee technology for energy efficient lighting, the E-Series controller developed by Active ES. This patented technology provides an upgrade for existing HID lamps for high-bay indoor and outdoor applications. In the fourth quarter of 2012, the Company performed additional research and development to the products from Active ES adding two new products for mass production, the 480-volt version of the controller, suitable for ports and other large facilities, and a 240-volt version of the LiteOwl for Streetlights, vastly increasing the applicable market.

In the first quarter of 2013, we acquired an 80% stake in TPC, a deregulated power broker in Illinois. The clients of TPC have commercial/industrial facilities such as small businesses, warehouses and distribution centers, which are candidates for E3's products and services.

Presently, we provide an array of energy services through E3 and TPC. The Company provides solutions that enable customers to reduce their energy consumption, lower their operating and maintenance costs, and realize environmental benefits. Our comprehensive set of services includes competitive electricity plans and upgrades to a facility's energy infrastructure.

In addition to organic growth, we expect that strategic acquisitions of complementary businesses and assets will remain an important part of our growth plan to enable us to broaden our service offerings and expand our geographical reach.

Overview of Industry

We bridge two industries in the Energy field: TPC is engaged in the deregulated energy space (reselling power from suppliers, and also as a supplier) and E3 is engaged in providing energy efficiency technologies. Deregulated power is expected to be one of the largest markets since the deregulation of telecom, only much larger. Energy efficiency companies, sometimes referred to as energy services companies, or ESCOs, develop, install and arrange financing for projects designed to improve the energy efficiency of client facilities. Typical products and services offered by energy efficiency companies include lighting and lighting retrofits, HVAC upgrades, motor controls, equipment installations, load management, and can include power generation including on-site cogeneration, renewable energy plants, etc. As we grow, we expect to be involved in all of these opportunities. Energy efficiency companies often offer their products and services through energy savings performance contracts, or ESPCs. Under these contracts, energy efficiency companies assume certain responsibilities for the performance of the installed measures, under assumed conditions, for a portion of the project's economic lifetime.

There are a number of industry factors that affect our ESCO business which include the overall demand for LED lighting. Future growth depends significantly on the adoption of LED lighting. The market for LED lighting has grown in recent years, as acceptance of LEDs for general lighting increases, but it still faces significant challenges before widespread adoption. This indicates the large untapped potential market, and as these challenges are successfully addressed it could signal increased sales opportunities. Demand also fluctuates based on various market cycles, a continuously evolving LED industry supply chain and demand dynamics in the market. These uncertainties make demand difficult to forecast. The competitive environment in the LED lighting industry is intense. Traditional lighting companies and new entrants are investing in LED lighting products as LED adoption has gained momentum. Product pricing pressures exist as market participants often undertake pricing strategies to gain or protect market share. To remain competitive, resellers of LED lighting must continuously increase service and support, product performance (including a degree of product independence to be free to move to other manufacturers with better products), and reduce costs.

E3's Business

E3 is an Energy Services Company (ESCO) formed by the Company to provide the best-of-breed energy reduction solutions for its clients. Through surveys and various analysis, E3 prescribes the best solution for the unique circumstance of each client by providing the most current, fully-vetted solutions in energy reduction technologies, as well as management tools which capture the client for future opportunities.

Many companies only provide stand-alone solutions and only address one area of energy efficiency. E3 looks at its clients' entire energy footprint and develops custom solutions that fit their distinct requirements. E3 prescribes the most appropriate solutions for its clients' facilities and operations based on their budget. In addition, E3 facilitates the entire process from assessment of needs to planning and implementation to ensure that all expectations for energy reduction and technology performance are met.

E3 lowers the cost of energy through competitive supplier bidding and creates comprehensive energy savings solutions through the implementation of energy reduction projects. The mission of E3 is to help a customer select and implement the most cost-effective energy conservation measures for its facilities. E3's energy services division is focused on providing business customers with best-in-class demand management solutions such as lighting (LED), HVAC, Commercial Refrigeration and Water Sub-Metering.

The sales, design and implementation process for energy efficiency projects can take from several months to several years. Existing and potential customers generally follow extended budgeting and procurement processes and sometimes must engage in regulatory approval processes. This extended sales process requires the dedication of significant time by sales and management personnel of the Company and the use of significant financial resources, with no certainty of success or recovery of related expenses.

TPC's Business

TPC provides competitive energy pricing delivered with no change in services provided by a customer's local utility provider. There are currently 16 states that have deregulated their electrical energy markets. While many consumers have already benefitted from deregulated energy, there are millions more that have not taken advantage of this opportunity. It is estimated that federally requested energy deregulation will be enacted in some form in more of the 50 states by 2020. The deregulation industry is estimated at 7 to 11 times larger than when the telecom industry deregulated. Today and as this market broadens, the Company expects TPC to continue to leverage its strength in these emerging markets.

Prior to deregulation, the utility market in each state was monopolized. One utility provided all components of energy services: supply and distribution. In 1992, Congress passed the National Energy Policy Act, allowing consumers in deregulated states the power to choose their energy supplier. TPC is an experienced energy consulting firm in the deregulation space that utilizes its market standing and its large, well-established network of energy suppliers to compete for its clients' business. With no cost to, or obligation by its clients, TPC serves as its clients' energy advocate and negotiates the most competitive pricing and options for its clientele. Because of TPC's buying power, market expertise, and strong and diverse supplier relationships, TPC can achieve results and cost savings that are greater than most individuals and/or organizations can obtain on their own.

TPC's business model is to enlist commercial and residential clients who benefit from the law passed allowing for competition in the energy markets as a result of deregulation of energy. In many cases TPC saves its clients 10% to 30% on their energy bills by simply switching suppliers, all while the enrollee still receives services from their local utility (the local utility continues to distribute the power, read the meter, bill, and service any interruptions). TPC is different than several of its competitors in that TPC has agreements with multiple energy suppliers allowing TPC to leverage its standing in the marketplace to garner competitive pricing for its clients by having its suppliers compete for its clients' business. Currently, TPC has access to multiple suppliers and has most of the agreements in place that allow for TPC to be paid for the life of the client's tenure with the supplier. TPC acquires its clients through strategic partnerships, trained in-house commercial and door-to-door residential agents and call centers.

TPC utilizes its online client energy portal, which is a sophisticated energy portal enabling rapid, efficient and secure sales transactions of deregulated power. The energy portal is designed to enable sales agents, whether from a computer terminal, a smart phone, or any web browser to access the pertinent information on a prospective client. Agents can view their clients' energy profiles and quickly access the energy options available to them. The transparency and ease of the energy portal allows TPC's agents to select the best power provider for their customers and process the paperwork online in real-time, which enables client acquisition in minutes. This sales portal enables large-scale, rapid sales of deregulated power. The energy portal is built for scalability so that it can be monetized on its own, meaning it can be offered to any deregulated power company as a sales tool. The technology also provides sales management, reporting, verification, and compliance tracking which may be among the best in the industry.

Strategy and Outlook

As of the date of this report, our current strategy involves the following initiatives:

- Expanding activities in deregulated energy markets through strategic partners: TPC continues to focus on building sales channels through strategic partners that either have, or have access to significant customers to which we can offer competitive electricity rates.
- Creating and leveraging sales leads from TPC's deregulated sales efforts to drive sales opportunities: As TPC continues to build its commercial and business customer base, it informs these customers that, in addition to financial savings that they can achieve through the negotiation of more competitive electricity rates, E3 can also provide energy savings through the installation of lighting and other building envelope technologies.
- Focusing on building channel sales partners for E3: We have established strategic partners in key growth markets that advocate and introduce our lighting and related demand management technologies to TPC customer base. We intend to continue to build and develop these channel partnerships both domestically and internationally.
- Plan to become a power provider/supplier: By adding a power provider/supplier in the future, we can book the entire energy bill as revenue as opposed to only the commission. This revenue is estimated to provide two to three times the earnings on the same customer currently being acquired by TPC, by picking up the margin between the wholesale and retail price.
- One-stop shop for "everything energy": We believe that we can best serve our customers by providing all energy related products and services under one cohesive and coordinated package, with over 30 energy supplier partnerships, and plans to operate also as a supplier, and with E3 representing an expanding array of products, some proprietary, which enables us to provide the most appropriate and effective solution to meet our customers' needs and financial objectives.

Marketing

Our sales and marketing strategy captures the unique opportunity of being in two closely related, but separate industries. Through TPC, we reach consumers for deregulated power. A portion of these (the commercial/industrial customers) will also be candidates for E3's business. TPC, as it becomes integrated with E3, will provide E3 with the ability to cross market its product line to TPC's already existing client base. This provides an advantage over the competition by offering a complete clean energy solution package of a much lower cost of power and, by the use of its energy efficiency products, the reduction of energy consumption.

In addition to these valuable clients from TPC, the company's strategy is to approach large and qualified prospects through a network of resellers and alliance partners with pre-existing relationships and/or top-tier reputations in their respective markets (as well as direct sales as described below), and to offer their clientele customized and comprehensive energy efficiency solutions tailored to meet their economic, operational and efficiency goals.

Throughout the industry, the evaluation, proposal, sales, and implementation process for energy efficiency and renewable energy projects can typically take from three to 36 months or longer, due to the prescriptive nature of a consultative sale. Sales to state and federal governmental and housing authority customers tend to require the longest lead time. E3 identifies direct-sales opportunities through the pre-existing relationships of its team, as well as referrals, requests for proposals, conferences, web searches, telemarketing and additional product/service sales to existing customers.

E3 also supports its network of resellers with a wide range of energy efficiency products through its alliance with suppliers. E3 not only provides products at a very competitive rate, but supports its resellers through training, marketing material, team sales visits, and a sales support infrastructure that can reduce the typical sales cycle time.

Lead qualification has been automated such that a prospect can be evaluated over the phone, reducing the expense of performing audits and surveys on unqualified prospects. As the business develops we expect the audits will be performed by qualified sales engineers, typically LEED certified (Leaders in Energy Efficiency Design, a program under the US Department of Energy's Green Building Council) and/or certified electricians, which results in a more comprehensive, professional, accurate and competitive proposal. The Company and its resellers utilize trained and certified electricians and engineers to perform the installation, further increasing customer satisfaction. Follow-up reports verify energy savings performance. The Company also has access to third-party funding options which can meet the unique financial requirement of the client, including no-money down, and immediately cash-flow-positive programs.

Sustainability and Efficiency Market Potential

Management believes that the market for energy efficiency will continue to grow, that we will increase penetration in this market, and that revenue will continue to increase over time. Continued fiscal uncertainty has and may continue to contribute to a lengthening of our sales cycle for both municipal and commercial customers.

Due to the long and variable selling cycle for E3 business, the sales, design and implementation process for energy efficiency projects can take from several months to 36 months. Existing and potential customers generally follow extended budgeting and procurement processes, and sometimes must engage in regulatory approval processes. This extended sales process requires the dedication of significant time by sales and management personnel and the use of significant financial resources, with no certainty of success or recovery of related expenses. All of these factors can contribute to fluctuations in quarterly financial performance and increase the likelihood that operating results in any particular quarter may fall below investor expectations.

Competition

The ESCO market in the United States is viable and growing due to many driving factors in the current economy. The United States government has recently pushed towards energy conservation and efficiency which has led to substantial market growth in this industry. We are in competition with other more established companies that may be better capitalized and have more established name recognition than we do. There is no assurance that we can compete successfully in this marketplace.

For the LED Lighting industry, competitors include other resellers, ESCO's, distributors, as well as manufacturers who sell direct or through agents. These manufacturers include Cree, Sylvania, Phillips, GE, as well as many specialty manufacturers. Resellers of LED lamps abound in the industry both small and large and are usually categorized by their geographic or vertical segmentation, or their specialty (i.e. residential, commercial/industrial, rebate-driven, ornamental, etc.). In addition, providers of other services may also sell LED lamps, such as big box stores, electricians, solar or energy efficiency businesses.

TPC sells power provided by energy suppliers, who may also sell directly. As a result, energy suppliers are both an ally and a potential competitor. Those competing suppliers are allies in that TPC garners its clients by contracting consumers with those same energy suppliers. When TPC presents a client/prospect to one or more of its contracted energy suppliers, that prospect/client is listed and protected as TPC's introduction and client. An example of this "cooperation" is embodied in the largest energy retailer in North America which has over 6 million customers. They are technically TPC's competition because clients can sign up with this supplier without the assistance of TPC. However, TPC generates a substantial portion of its overall revenue by signing on new monthly clients and selling this supplier's many energy offerings. In turn, this supplier counts on TPC's volume of business.

Many of TPC's competitors contract with these same suppliers to sell their energy offerings. There are approximately 50 licensed suppliers in Illinois that range from Constellation Energy, which is owned by Exelon, that generates approximately \$30 Billion in revenue annually to suppliers such as Agera Energy, LLC with whom TPC has had a sales agreement since their launch. Other competitors include, but are not limited to, AEP Energy, Champion Energy, LLC, ConEdison Solutions, Eligo Energy IL, LLC, Entrust Energy, Green Mountain Energy Company, IDT Energy, Inc., Kona Energy, Liberty Power Holdings LLC, MC Squared Energy Services, LLC, MidAmerican Energy, NextEra Energy Services Illinois, LLC, Nordic Energy Services, Plymouth Rock Energy, LLC and Santanna Energy Services.

Intellectual Property

We acquired all patents owned by Active ES Lighting Controls; the pertinent U.S. and international patent and patents pending are as follows:

U.S. Patents

- U.S. Patent No. 7,825,614; Entitled Voltage Control Load Center, Modular Voltage Control Transformer Circuit, And Method of Making and Using; Issued November 2, 2010; and
- U.S. Patent No. 7,973,490; Entitled Hid Lighting Control with Transient Voltage Sensing and Lamp Restarting, And Method of Making and Using; Issued July 5, 2011.

Government Regulation

E3

Various regulations affect the conduct of our business. The applicable regulatory requirements differ in each state and between agencies of the federal government. Our projects must conform to all applicable electric reliability, building and safety, and environmental regulations and codes, which vary from place to place and time to time. Various federal, state, provincial and local permits are required to construct an energy efficiency project or a renewable energy plant.

Some of the energy demand reduction services that we provide for utilities and institutional clients are subject to regulatory tariffs imposed under federal and state utility laws. In addition, the operation of, and electrical interconnection for, our renewable energy projects are subject to federal, state or provincial interconnection and federal reliability standards also set forth in utility tariffs. These tariffs specify rules, business practices and economic terms to which we are subject. The tariffs are drafted by the utilities and approved by the utilities' state, provincial or federal regulatory commissions.

Individual states may have regulations to protect the environment such as Title 24 in California and New York, which address upgrading existing buildings and the specifications for new construction. The manufacturers of LED lights and other equipment must abide by government regulation. We take appropriate steps to ensure the products we sell comply with those regulations and industry standards such as EnergyStar, Lighting Facts and Design Lighting Council.

TPC

We are subject to government regulations at both the state and federal levels, including the Federal Energy Regulatory Commission ("FERC") and individual states' Public Utilities Commission ("PUC") for a substantial level of rates and services that we provide. The FERC regulates certain activities of public utilities. The scope of the jurisdiction of the FERC under the FPA encompasses review and approval of (i) rates charged by public utilities for wholesale sales of electricity; (ii) issuances of securities and assumption of liabilities by public utilities; (iii) interstate transmission of electricity; (iv) certain dispositions of assets; and (v) interlocking directorships between public utilities and certain interested parties. The various state PUC's will regulate the rates that can be charged for such services or distributions, ancillary services and other retail power services, and will determine the terms under which we can compete with the investor owned utilities and other energy service providers. There is no certain assurance that the regulations promulgated by FERC and/or state PUCs will act to our benefit.

Employees

As of December 31, 2017, we had one full-time employee and no part-time employees. We also intend to continue to engage consultants in general business to advise us in various capacities. With our potential acquisition plans, there will be the occasion to take over the employees of those acquisitions.

Our TPC subsidiary currently employs 10 full-time employees and one part-time employee.

ITEM 1A. RISK FACTORS

An investment in our common stock involves a number of very significant risks. You should carefully consider the following risks and uncertainties in addition to other information in this report in evaluating our company and its business before purchasing shares of our company's common stock. Our business, operating results and financial condition could be seriously harmed due to any of the following risks. You could lose all or part of your investment due to any of these risks.

Risks Related to Our Company

There is substantial doubt about our ability to continue as a going concern.

We have not generated any profit from combined operations since our inception. We expect that our operating expenses will increase over the next twelve months to continue our development activities. Based on our average monthly expenses and current burn rate, we estimate that our cash on hand as of December 31, 2017 was not enough to sufficiently support our operation for the next year. This amount could increase if we encounter difficulties that we cannot anticipate at this time or if we acquire other businesses. As of the date of this filing, we had cash and cash equivalents of approximately \$200,000. We do not expect to raise capital through debt financing from traditional lending sources since we are not currently generating a profit from operations. Therefore, we only expect to raise money through equity financing via the sale of our common stock or equity-linked securities such as convertible debt. If we cannot raise the money that we need in order to continue to operate our business beyond the period indicated above, we will be forced to delay, scale back or eliminate some or all of our proposed operations. If any of these were to occur, there is a substantial risk that our business would fail. If we are unsuccessful in raising additional financing, we may need to curtail, discontinue or cease operations.

We have limited operating history with our subsidiaries, and as a result, we may experience losses and cannot assure you that we will be profitable.

Our operations are subject to all of the risks inherent with growing a business enterprise. In addition, E3 and TPC are not profitable. Accordingly, the likelihood of our success must be considered in the light of the problems, expenses, difficulties, complications, and delays frequently encountered in connection with the expansion of a business and the relatively competitive environment in which we operate. Unanticipated delays, expenses and other problems such as setbacks in product development, product manufacturing, and market acceptance are frequently encountered in establishing a new business such as ours. There can be no assurance that the Company will be successful in addressing such risks, and any failure to do so could have a material adverse effect on the Company's business, results of operations and financial condition.

Because of our limited operating history, we have limited historical financial data on which to base planned operating expenses. Accordingly, our expense levels, which are, to a large extent, variable, will be based in part on our expectations of future revenues. As a result of the variable nature of many of our expenses, we may be unable to adjust spending in a timely manner to compensate for any unexpected delays in the development and marketing of our products or any subsequent revenue shortfall. Any such delays or shortfalls will have an immediate adverse impact on our business, operating results and financial condition.

The Company has not achieved profitability on a quarterly or annual basis to date. To the extent that net revenue does not grow at anticipated rates or that increases in its operating expenses precede or are not subsequently followed by commensurate increases in net revenue, or that the Company is unable to adjust operating expense levels accordingly, the Company's business, results of operations and financial condition will be materially and adversely affected. There can be no assurance that the Company's operating losses will not increase in the future or that the Company will ever achieve or sustain profitability.

No Assurance of Revenues.

There can be no assurance that our proposed operations will result in sufficient revenues to enable us to operate at profitable levels or to generate positive cash flow. As a result of our limited operating history and the nature of the markets in which we compete, we may not be able to accurately predict our revenues. Any failure by us to accurately make such predictions could have a material adverse effect on our business, results of operations and financial condition. Further, our current and future expense levels are based largely on our investment plans and estimates of future revenues. We expect operating results to fluctuate significantly in the future as a result of a variety of factors, many of which are outside of our control. Factors that may adversely affect our operating results include, among others, demand for our products, the budgeting cycles of potential customers, lack of enforcement of or changes in governmental regulations or laws, the amount and timing of capital expenditures and other costs relating to the expansion of our operations, the introduction of new or enhanced products and services by us or our competitors, the timing and number of new hires, changes in our pricing policy or those of our competitors, the mix of products, increases in the cost of raw materials, technical difficulties with the products, incurrence of costs relating to future acquisitions, general economic conditions, and market acceptance of our products. As a strategic response to changes in the competitive environment, we may, from time to time, make certain pricing, service or marketing decisions or business combinations that could have a material adverse effect on our business, results of operations and financial condition. Any seasonality is likely to cause quarterly fluctuations in our operating results, and there can be no assurance that such patterns will not have a material adverse effect on our business, results of operations and financial condition. We may be unable to adjust spending in a timely manner to compensate for any unexpected revenue shortfall.

We need to raise additional funds in the future that may not be available on acceptable terms or at all.

We need to raise capital to sustain our operations. We may consider issuing additional debt or equity securities in the future to fund our business plan, for potential acquisitions or investments, or for general corporate purposes. If we issue equity or convertible debt securities to raise additional funds, our existing stockholders may experience dilution, and the new equity or debt securities may have rights, preferences and privileges senior to those of our existing stockholders. If we incur additional debt, it may increase our leverage relative to our earnings or to our equity capitalization, requiring us to pay additional interest expenses. We may not be able to obtain financing on favorable terms, or at all, in which case, we may not be able to develop or enhance our products, execute our business plan, take advantage of future opportunities or respond to competitive pressures.

Our margins fluctuate which leads to further uncertainty in our profitability model.

While we have the potential to negotiate prices that benefit our clients and affect our profitability as we seek to gain market-share and increase our book of business, margins in the energy business are fluid, and our margins vary based upon the supplier and the customer. This will lead to continued uncertainty in margins from quarter to quarter.

If demand for energy efficiency does not develop as expected, our projected revenues and profits will be affected.

Our future profits are influenced by many factors, including economics, and will be predicated on a stable and/or growing market and consumption of energy efficiency solutions and products. We believe, and our growth expectations assume, that the market for energy efficiency will continue to grow, that we will increase our penetration of this market and that our anticipated revenue from selling into this market will continue to increase. If our expectations as to the size of this market and our ability to sell our products and services in this market are not correct, our revenue may not materialize and our business will be harmed.

Projects generally require significant capital, for which financing may not be available.

Our projects are occasionally financed by third parties. The costs of these projects to our customers are costly. For our energy efficiency projects, we often assist our customers in arranging third party financing. If we or our customers are unable to raise funds on acceptable terms when needed, we may be unable to secure customer contracts, the size of contracts we do obtain may be smaller, or we could be required to delay the development and construction of projects, reduce the scope of those projects or otherwise restrict our operations. Any inability by us or our customers to raise the funds necessary to finance our projects could materially harm our business, financial condition and operating results.

Operating results may fluctuate and may fall below expectations in any fiscal quarter.

Our operating results are difficult to predict and are expected to fluctuate from quarter to quarter due to a variety of factors, many of which are outside of our control. As a result, comparing our operating results on a period-to-period basis may not be meaningful, and you should not rely on our past results or future predictions prepared by the Company as an indication of our future performance. If our revenue or operating results fall in any period, the value of our common stock would likely decline.

Factors that may cause our operating results to fluctuate include:

- our ability to arrange financing for projects;
- our ability to acquire products to resell to our customers;
- changes in federal, state and local government policies and programs related to, or a reduction in governmental support for, energy efficiency and deregulation, including rebates and tax incentives;
- the timing of work we do on projects where we recognize revenue on a percentage of completion basis;
- seasonality in demand for our products and services; poor weather inhibiting door-to-door sales;
- a customer's decision to delay our work, on or other risks involved with, a particular project;
- availability and costs of labor and equipment;
- the addition of new customers or the loss of existing customers;
- the size and scale of new customer projects;
- the availability of bonding for our projects;
- our ability to control costs, including operating expenses;
- changes in the mix of our products and services;
- the rates at which customers renew their deregulated power contracts with us;
- the length of our sales cycle;
- the productivity and growth of our sales force;
- the timing of opening of new offices or making other significant investments in the growth of our business, as the revenue we hope to generate from those expenses often lags several quarters behind those expenses;
- changes in pricing by us or our competitors, or the need to provide discounts to win business;
- costs related to the acquisition and integration of companies or assets;
- general economic trends, including changes in energy efficiency spending or geopolitical events such as war or incidents of terrorism; and
- future accounting pronouncements and changes in accounting policies.

A decline in fiscal health could reduce demand for energy efficiency projects.

A significant decline in the fiscal health of federal, state or provincial and local governments impacts our customer base. We view these entities as potential customers and a decline in their fiscal health may make it difficult for them to enter into contracts for our services or to obtain financing necessary to fund such contracts.

Our business is at risk if we lose key personnel or we are unable to attract and integrate additional skills personnel.

The success of our business depends in large part on the skill of our personnel. Accordingly, it is critical that we maintain, and continue to build, a highly-experienced management team and specialized workforce, including engineers, experts in project management and business development, and sales professionals. Competition for personnel, particularly those with expertise in the energy services industries, is high, and identifying candidates with the appropriate qualifications can be difficult. We may not be able to hire the necessary personnel to implement our business strategy given our anticipated hiring needs, or we may need to provide higher compensation or more training to our personnel than we currently anticipate.

In the event, we are unable to attract, hire and retain the requisite personnel and subcontractors, we may experience delays in completing projects in accordance with project schedules and budgets, which may have an adverse effect on our financial results, harm our reputation and cause us to curtail our pursuit of new projects. Further, any increase in demand for personnel and specialty subcontractors may result in higher costs, causing us to exceed the budget on a project, which in turn may have an adverse effect on our business, financial condition and operating results and harm our relationships with our customers.

Our future success is particularly dependent on the vision, skills, experience and effort of our senior management team, including our executive officers and our president and chief executive officer. If we were to lose the services of any of our executive officers or key employees, our ability to effectively manage our operations and implement our strategy could be harmed and our business may suffer.

We operate in a highly competitive industry and competitors may compete more effectively.

Both the deregulation and the energy efficiency industries are highly competitive, with many companies of varying size and business models, many of which have their own proprietary technologies, competing for the same business as we do. Many of our competitors have longer operating histories and greater resources than us, and could focus their substantial financial resources to develop a competing business model, develop products or services that are more attractive to potential customers than what we offer or convince our potential customers that they require financing arrangements that would be impractical for smaller companies to offer. Our competitors may also offer energy efficiency solutions at prices below cost and/or devote significant sales forces to competing with us or attempt to recruit our key personnel by increasing compensation, any of which could improve their competitive positions. Any of these competitive factors could make it more difficult for us to attract and retain customers; cause us to lower our prices in order to compete, and reduce our market share and revenue, any of which could have a material adverse effect on our financial condition and operating results. We can provide no assurance that we will continue to effectively compete against our current competitors or additional companies that may enter our markets.

In addition, we may also face competition based on technological developments that reduce demand for electricity, increase power supplies through existing infrastructure or that otherwise compete with our products and services. We also expect to encounter competition in the form of potential customers electing to develop solutions or perform services internally rather than engaging an outside provider such as us.

We may be unable to manage our growth effectively.

We expect our business and operations to expand rapidly and we anticipate that further expansion of our organization and operations will be required to achieve our expectations for future growth. In order to manage our expanding operations, we will also need to improve our management, operational and financial controls and our reporting systems and procedures. All of these measures will require significant expenditures and will demand the attention of management. If we do not continue to enhance our management personnel and our operational and financial systems and controls in response to growth in our business, we could experience operating inefficiencies that could impair our competitive position and could increase our costs more than we had planned. If we are unable to manage growth effectively, our business, financial condition and operating results could be adversely affected.

We face a long and variable selling cycle that requires significant resource commitments for energy efficiency.

The sales, design and implementation process for energy efficient projects typically takes from 6 to 36 months, with sales to government and housing authority customers tending to require the longest sales processes. Our potential customers are expected to have extended budgeting and procurement processes, and sometimes must engage in regulatory approval processes, related to our services. Most of our potential customers issue a request for proposal, or RFP, as part of their consideration. In preparation for responding to an RFP, we intend to conduct a preliminary audit of the customer's needs and the opportunity to reduce its energy costs. In addition, we or the customer typically need to obtain financing for the project. This extended sales process requires the dedication of significant time by our sales and management personnel and our use of significant financial resources, with no certainty of success or recovery of our related expenses. A potential customer may go through the entire sales process and not accept our proposal. All of these factors can contribute to fluctuations in our quarterly financial performance and increase the likelihood that our operating results in a particular quarter will fall below expectations. These factors could also adversely affect our business, financial condition and operating results due to increased spending by us that is not offset by increased revenue.

We plan to expand our business, in part, through future acquisitions.

Historically, acquisitions have been a significant part of our growth strategy. We plan to continue to acquire companies or assets to expand our project skill-sets and capabilities, expand our geographic markets, add experienced management and increase our product and service offerings. However, we may be unable to implement this growth strategy if we cannot identify suitable acquisition candidates, reach agreement with acquisition targets on acceptable terms or arrange required financing for acquisitions on acceptable terms. In addition, the time and effort involved in attempting to identify acquisition candidates and consummate acquisitions may divert members of our management from the operations of our company.

Any future acquisitions could disrupt business.

If we are successful in consummating acquisitions, those acquisitions could subject us to a number of risks, including:

- the purchase price we pay could significantly deplete our cash reserves or result in dilution to our existing stockholders;
- we may find that the acquired company or assets do not improve our customer offerings or market position as planned;
- we may have difficulty integrating the operations and personnel of the acquired company;
- key personnel and customers of the acquired company may terminate their relationships with the acquired company as a result of the acquisition;
- we may experience additional financial and accounting challenges and complexities in areas such as tax planning and financial reporting;
- we may assume or be held liable for risks and liabilities as a result of our acquisitions, some of which we may not discover during our due diligence or adequately adjust for in our acquisition arrangements;
- we may incur one-time write-offs or restructuring charges in connection with the acquisition;
- we may acquire goodwill and other intangible assets that are subject to amortization or impairment tests, which could result in future charges to earnings; and
- we may not be able to realize the cost savings or other financial benefits we anticipated.

These factors could have a material adverse effect on our business, financial condition and operating results.

We may incur a variety of costs to engage in future acquisitions of companies, products or technologies, and the anticipated benefits of those acquisitions may never be realized.

As a part of our business strategy, we may make acquisitions of, or significant investments in, complementary companies, products or technologies, although no acquisitions or investments are currently pending. Any future acquisitions would be accompanied by risks such as:

- difficulties in assimilating the operations and personnel of acquired companies;
- diversion of our management's attention from ongoing business concerns;
- our potential inability to maximize our financial and strategic position through the successful incorporation of acquired technology and rights into our products and services;
- additional expense associated with amortization of acquired assets;
- charges at the time of acquisitions related to the expensing of in process research and development;
- the exposure to additional debt to fund an acquisition;
- dilution to existing shareholders should the Company raise additional equity;
- maintenance of uniform standards, controls, procedures and policies; and
- impairment of existing relationships with employees, suppliers and customers as a result of the integration of new management personnel.

We cannot guarantee that we will be able to successfully integrate any business, products, technologies or personnel that we might acquire in the future, and our failure to do so could have a material adverse effect on our business, financial condition and operational results.

We may be subject to liability claims for damages and other expenses not covered by insurance that could reduce our earnings and cash flows.

Our business, profitability and growth prospects could suffer if we pay damages or defense costs in connection with a liability claim that is outside the scope of any applicable insurance coverage. We intend to maintain, but do not yet have, general and product liability insurance. There is no assurance that we will be able to obtain insurance in amounts, or for a price, that will permit our Company to purchase desired amounts of insurance. Additionally, if our costs of insurance and claims increase, then our earnings could decline. Further, market rates for insurance premiums and deductibles have been steadily increasing, which may prevent us from being adequately insured. A product liability or negligence action in excess of insurance coverage could harm our profitability and liquidity.

Insurance and contractual protections may not always cover lost revenue.

We possess insurance, warranties from suppliers, and our subcontractors make contractual obligations to meet certain performance levels, and we also attempt, where feasible, to pass risks we cannot control to our customers, the proceeds of such insurance, warranties, performance guarantees or risk sharing arrangements may not be adequate to cover lost revenue, increased expenses or liquidated damages payments that may be required in the future.

We intend to obtain comprehensive insurance, including liability, fire, and extended coverage. Certain losses of a catastrophic nature such as from floods, tornadoes, thunderstorms and earthquakes are uninsurable or not economically insurable. Such "Acts of God," work stoppages, regulatory actions or other causes, could interrupt operations and adversely affect our business.

We rely on outside consultants, employees, manufacturers and suppliers.

We will rely on the experience of outside consultants, employees, manufacturers and suppliers. In the event that one or more of these consultants or employees terminates employment with the Company, or becomes unavailable, suitable replacements will need to be retained and there is no assurance that such employees or consultants could be identified under conditions favorable to us.

We rely on strategic relationships to promote our products.

We rely on strategic partnerships with outside companies and individuals to promote and supply certain of our products and services, thus making the future success of our business particularly contingent on the efforts of other parties. An important part of our strategy is to promote acceptance of our products through technology and product alliances with certain distributors who we feel could assist us with our promotion strategies. Our dependence on outside distributors, however, raises potential risks with respect to the future success of our business. Our success is dependent on the successful completion and commercial deployment of our products and services and on the future commitment of our distributors to our products and technology.

We rely on our suppliers.

We will rely on key vendors and suppliers to provide power, as well as high quality products and services on a consistent basis. We outside assembly facilities and contract manufacturers to produce quantities of materials these include, manufacturing facilities, warehouses, shippers, testing facilities and other critical vendor partners. Our future success is contingent on the efforts and performance of these suppliers. Although in the past we have obtained adequate quantities of raw materials and finished product on acceptable terms to meet our requirements, we may have difficulty in locating or using alternative resources should supply problems arise with the current suppliers. An interruption or reduction in the source of supply of any of the component materials, or an unanticipated increase in vendor prices, could materially affect our operating results and damage customer relationships as well as our business.

Our business is subject to commodity price risk.

Our cost to serve our retail energy customers is exposed to fluctuations in commodity prices. Although we enter into commodity derivative instruments with our suppliers to manage the commodity price risks, we are exposed to commodity price risk where estimated customer requirements do not match actual customer requirements or where we are not able to exactly purchase the estimated customer requirements. In such cases, we may suffer a loss if we are required to sell excess supply in the spot market (compared to weighted average cost of supply) or to purchase additional supply in the spot market. Such losses could have a material adverse impact on our operating results, cash flow and liquidity.

A key risk to our business model is a sudden and significant drop in the commodity market price resulting in increase in customer churn, regulatory pressure and resistance on enforcement of liquidation damages and enactment of provisions to reset the customer price to current market price levels, which could have significant impact on our business.

If we fail to protect our intellectual property, our planned business could be adversely affected.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our products or obtain and use information that we regard as proprietary. Unauthorized use of our proprietary technology could harm our business. Litigation to protect our intellectual property rights can be costly and time-consuming to prosecute, and there can be no assurance that we will have the financial or other resources necessary to enforce or defend a patent infringement or proprietary rights violation action.

There has been substantial litigation regarding patent and other intellectual property rights in the energy device industry generally. From time to time, we may be forced to defend ourselves against other claims and legal actions alleging infringement of the intellectual property rights of others. Adverse determinations in any such litigation could subject us to significant liabilities, which could have a material adverse effect on us. Third parties could also obtain patents that may require us to either redesign products or obtain a license. If we are unable to redesign products or are unable to obtain a license, our business and financial condition would be adversely affected.

Although we perform investigations of the intellectual property of third parties, we cannot be certain that we have not infringed the intellectual property rights of such third parties. Any such infringement or misappropriation claim could result in significant costs, substantial damages, and our inability to operate our business. We also could be forced to obtain licenses from third parties or to develop a non-infringing alternative, which could be costly and time-consuming. A court could also order us to pay compensatory damages for such infringement, plus prejudgment interest, and could, in addition, treble the compensatory damages and award attorney fees. These damages could be substantial and could harm our reputation, business, financial condition, and operating results.

Because intellectual property litigation can be costly and time consuming, our intellectual property litigation expenses could be significant, even if we are successful in defending our intellectual property rights. Even invalid claims alone could materially adversely affect our financial condition.

We may be subject to lawsuits related to products we purchase from our suppliers or the services performed by our providers.

In the future, we may be a party to, or may be otherwise responsible for, pending or threatened lawsuits or other claims related to products we purchase from our approved manufacturers and suppliers. We intend to require our approved providers to have product liability insurance, but there can be no assurance that such product liability insurance will be sufficient to protect us against potential liability. Additionally, there is no certainty that we will not be named in an action for product liability. Such cases and claims may raise difficult and complex factual and legal issues and may be subject to many uncertainties and complexities, including, but not limited to, the facts and circumstances of each particular case or claim, the jurisdiction in which each suit is brought, and differences in applicable law. Upon resolution of any pending legal matters or other claims, we may incur charges in excess of established reserves. Product liability lawsuits and claims, safety alerts or product recalls in the future, regardless of their ultimate outcome, could have a material adverse effect on our business and reputation and on our ability to attract and retain customers and joint venture partners. Our business, profitability and growth prospects could suffer if we face such negative publicity.

Availability of quality products in a timely manner could cause delays in delivery and completion.

Our success depends on our ability to provide services and complete projects in a timely manner, which in part depends on the ability of third parties to provide us with timely and reliable services and products, such as, lighting and other complex components. In providing our services and completing our projects, we rely on products that meet our design specifications and components manufactured and supplied by third parties, as well as on services performed by subcontractors.

We will rely on subcontractors to perform substantially all of the installation work related to our projects. We intend to continue to establish relationships with subcontractors that we believe to be reliable and capable of producing satisfactory results. If any of our contractors or subcontractors are unable to provide services that meet or exceed our customers' expectations or satisfy our contractual commitments, our reputation, business and operating results could be harmed.

The warranties provided by our third-party suppliers and subcontractors may limit any direct harm we might experience as a result of our relying on their products and services. However, there can be no assurance that a supplier or subcontractor will be willing or able to fulfill its contractual obligations and make necessary repairs or replace equipment. In addition, these warranties generally expire within one to five years or may be of limited scope or provide limited remedies. If we are unable to avail ourselves of warranty protection, we may incur liability to our customers or additional costs related to the affected products and components, including replacement and installation costs, which could have a material adverse effect on our business, financial condition and operating results.

Moreover, any delays, malfunctions, inefficiencies or interruptions in these products or services - even if covered by warranties - could adversely affect the quality and performance of our solutions. This could cause us to experience difficulty retaining customers and attracting new customers, and could harm our brand, reputation and growth. In addition, any significant interruption or delay by our suppliers in the manufacture or delivery of products or services on which we depend could require us to expend considerable time, effort and expense to establish alternate sources for such products and services.

Risks Related to Our Products

We face a risk of defective products and, as a result, a damaged reputation.

If any of our products contain defects, or have reliability, quality or compatibility problems, our reputation could be damaged significantly, and customers might be reluctant to use our products, which could result in the loss of revenues. We may have to invest significant capital and other resources to correct these problems. Such expenditures to correct defects and the effect on our reputation could have a material adverse effect on the business, financial condition and results of operations.

We face the risk of product liability claims and uninsured losses.

We face an inherent business risk of exposure to product liability claims in the event that the use of our technology or products is alleged to have resulted in adverse effects. To date, no claim for damages has been asserted against us. There can be no assurance that liability claims will not exceed the coverage limits of any policies purchased by us or that such insurance will continue to be available on commercially reasonable terms or at all. If we do not or cannot maintain sufficient liability insurance, its ability to operate may be significantly impaired. In addition, liability claims could have a material adverse effect on our business, financial condition and results of operations.

It is incumbent upon us to keep up with technological change so that our products can maintain their demand in the marketplace.

There can be no assurance that our competitors will not succeed in developing or marketing products or technologies that are more effective and/or less costly and which render our products obsolete or non-competitive. In addition, new technologies and procedures could be developed that replace or reduce the value of our products. Our success will depend in part on our ability to respond quickly to technological changes through the development and introduction of new products and to successfully market these products. There can be no assurance that new product development efforts will result in any commercially successful products. A failure to develop and successfully market new products could have a material adverse effect on our business, financial condition and results of operations.

Risks Related to TPC's Business

We face the risk that deregulation could be repealed.

If the federal government and/or any individual state decided to repeal deregulation, we would have to rely entirely on our energy efficiency sales in order to generate revenue.

Our business, in part, depends on federal, state, and local government support for deregulation and energy efficiency.

Deregulated power is currently adopted by sixteen states, twelve of which have attractive deregulation programs, with the intent that many more states will adopt some form of deregulation by the year 2020. TPC depends on this continued deregulation. This may not occur or be delayed, affecting our long-term growth. We will depend in part on government legislation and policies that support energy efficiency and renewable energy projects that enhance the economic feasibility of our energy efficiency services and small-scale renewable energy projects. The U.S. and Canadian federal governments and several of the states and provinces in which we will operate support our potential customers' investments in energy efficiency and renewable energy through legislation and regulations that authorize and regulate the manner in which certain governmental entities are expected to do business with us, encourage or subsidize governmental procurement of our services, provide regulatory, tax and other incentives to others to procure our services and provide us with tax and other incentives that reduce our costs or increase our revenue.

We are subject to government regulations at both the state and federal levels, including the Federal Energy Regulatory Commission ("FERC") and individual states' Public Utilities Commission ("PUC") for a substantial level of rates and services that we provide. The FERC regulates certain activities of public utilities. The scope of the jurisdiction of the FERC under the FPA encompasses review and approval of (i) rates charged by public utilities for wholesale sales of electricity; (ii) issuances of securities and assumption of liabilities by public utilities; (iii) interstate transmission of electricity; (iv) certain dispositions of assets; and (v) interlocking directorships between public utilities and certain interested parties. The various state PUC's will regulate the rates that can be charged for such services or distributions, ancillary services and other retail power services, and will determine the terms under which we can compete with the investor owned utilities and other energy service providers. There is no certain assurance that the regulations promulgated by FERC and/or state PUCs will act to our benefit.

Our business is affected by seasonal trends that could affect operating results.

Seasonal weather could inhibit the ability of door-to-door sales staff from selling deregulated power. Also, we are subject to seasonal fluctuations and construction cycles, particularly in climates that experience colder weather during the winter months, such as the northern United States and Canada, or at educational institutions, where large projects are typically carried out during summer months when their facilities are unoccupied. In addition, government customers, many of which have fiscal years that do not coincide with ours, typically follow annual procurement cycles and appropriate funds on a fiscal-year basis even though contract performance may take more than one year. Further, government contracting cycles can be affected by the timing of, and delays in, the legislative process related to government programs and incentives that help drive demand for energy efficiency projects. As a result of such fluctuations, we may occasionally experience declines in revenue or earnings as compared to the immediately preceding quarter, and comparisons of our operating results on a period-to-period basis may not be meaningful.

If we issue additional shares in the future, it will result in the dilution of our existing stockholders.

Our articles of incorporation authorize the issuance of up to 450,000,000 shares of our common stock and 50,000,000 shares of our preferred stock, each with a par value of \$0.0001 per share. Our board of directors may choose to issue some or all of such shares to acquire one or more companies or products and to fund our overhead and general operating requirements. The issuance of any such shares will reduce the book value per share and may contribute to a reduction in the market price of the outstanding shares of our common stock. If we issue any such additional shares, such issuance will reduce the proportionate ownership and voting power of all current stockholders. Further, such issuance may result in a change of control of our company.

Trading of our stock is restricted by the Securities Exchange Commission's penny stock regulations, which may limit a stockholder's ability to buy and sell our common stock.

The Securities and Exchange Commission has adopted regulations which generally define "penny stock" to be any equity security that has a market price (as defined) less than \$5.00 per share or an exercise price of less than \$5.00 per share, subject to certain exceptions. Our securities are covered by the penny stock rules, which impose additional sales practice requirements on broker-dealers who sell to persons other than established customers and "accredited investors". The term "accredited investor" refers generally to institutions with assets in excess of \$5,000,000 or individuals with a net worth in excess of \$1,000,000 or annual income exceeding \$200,000 or \$300,000 jointly with their spouse. The penny stock rules require a broker-dealer, prior to a transaction in a penny stock not otherwise exempt from the rules, to deliver a standardized risk disclosure document in a form prepared by the Securities and Exchange Commission, which provides information about penny stocks and the nature and level of risks in the penny stock market. The broker-dealer also must provide the customer with current bid and offer quotations for the penny stock, the compensation of the broker-dealer and its salesperson in the transaction and monthly account statements showing the market value of each penny stock held in the customer's account. The bid and offer quotations, and the broker-dealer and salesperson compensation information, must be given to the customer orally or in writing prior to effecting the transaction and must be given to the customer in writing before or with the customer's confirmation. In addition, the penny stock rules require that prior to a transaction in a penny stock not otherwise exempt from these rules, the broker-dealer must make a special written determination that the penny stock is a suitable investment for the purchaser and receive the purchaser's written agreement to the transaction. These disclosure requirements may have the effect of reducing the level of trading activity in the secondary market for the stock that is subject to these penny stock rules. Consequently, these penny stock rules may affect the ability of broker-dealers to trade our securities. We believe that the penny stock rules discourage investor interest in and limit the marketability of our common stock.

FINRA sales practice requirements may also limit a stockholder's ability to buy and sell our stock.

In addition to the "penny stock" rules described above, the Financial Industry Regulatory Authority ("FINRA") has adopted rules that require that in recommending an investment to a customer, a broker-dealer must have reasonable grounds for believing that the investment is suitable for that customer. Prior to recommending speculative low-priced securities to their non-institutional customers, broker-dealers must make reasonable efforts to obtain information about the customer's financial status, tax status, investment objectives and other information. Under interpretations of these rules, FINRA believes that there is a high probability that speculative low-priced securities will not be suitable for at least some customers. FINRA requirements make it more difficult for broker-dealers to recommend that their customers buy our common stock, which may limit your ability to buy and sell our stock and have an adverse effect on the market for our stock.

Our common stock is illiquid and the price of our common stock may be negatively impacted by factors that are unrelated to our operations.

Although our common stock is currently listed for quotation on the OTCQB, there is no active trading market for our common stock. Even if a more active market is established, trading through the OTCQB is frequently thin and highly volatile. There is no assurance that a sufficient market will develop in our stock, in which case it could be difficult for stockholders to sell their stock. The market price of our common stock could fluctuate substantially due to a variety of factors, including market perception of our ability to achieve our planned growth, quarterly operating results of our competitors, trading volume in our common stock, changes in general conditions in the economy and the financial markets or other developments affecting our competitors or us. In addition, the stock market is subject to extreme price and volume fluctuations. This volatility has had a significant effect on the market price of securities issued by many companies for reasons unrelated to their operating performance and could have the same effect on our common stock.

We do not intend to pay dividends on any investment in the shares of stock of our company.

We have never paid any cash dividends, and currently do not intend to pay any dividends for the foreseeable future. Because we do not intend to declare dividends, any gain on an investment in our company will need to come through an increase in the stock's price. This may never happen, and investors may lose all of their investment in our company.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not Applicable.

ITEM 2. PROPERTIES

Our corporate offices and warehouse are located at 1382 Valencia Avenue, Unit F, Tustin, California. These offices consist of 2,000 square feet for which we pay rent of \$2,500 on a month to month basis under an operating lease. We consider these facilities to be adequate for our current needs.

For the TPC operations, we lease 4,260 square feet of office space at 1165 N. Clark Street, Chicago, IL under a 65-month operating lease through March 2019. The monthly base rent is approximately \$9,415 per month and increases each year during the term of the lease.

ITEM 3. LEGAL PROCEEDINGS

We may be involved in legal proceedings in the ordinary course of our business. Although our management cannot predict the ultimate outcome of these legal proceedings with certainty, it believes that the ultimate resolution of our legal proceedings, including any amounts we may be required to pay, will not have a material effect on our consolidated financial statements. Other than disclosed below, we know of no material proceedings in which we or either of our subsidiaries is a party. We may be involved in legal proceedings in the ordinary course of our business. Although our management cannot predict the ultimate outcome of these legal proceedings with certainty, it believes that the ultimate resolution of our legal proceedings, including any amounts we may be required to pay, will not have a material effect on our consolidated financial statements.

Securities and Exchange Commission v. Premier Holding Corporation, et. al. (the "SEC Litigation").

The SEC Litigation, set in the U.S. District Court for the Central District of California, alleges that:

- Premier is liable for violating Section 17(a) of the Securities Act, Sections 10(b), 13(a), 13(b)(2)(A), and 13(b)(2)(b) of the Exchange Act, and Rules 10b-5, 13a-1, 13a-11, and 13a-13 thereunder; and
- Letcavage (our CEO and President) is liable for: (i) violating Securities Act Section 17(a) and Exchange Act Section 10(b) and Rule 10b-5 thereunder, Exchange Act Sections 13(a) and 13(b)(5) and Rules 13a-14 and 13b2-1 thereunder; (ii) as a control person under Exchange Act Section 20(a) for Premier's violations of the Exchange Act; and (iii) under Exchange Act Section 20(e) and Securities Act Section 15(b) for aiding and abetting Premier's violations of Securities Act Sections 17(a)(2) and 17(a)(3), Exchange Act Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B), and Rules 13a-1, 13a-11, and 13a-13 thereunder.

The SEC Litigation seeks permanent injunctions, disgorgement of ill-gotten gains plus prejudgment interest thereon, and civil monetary penalties as to Premier and Letcavage, as well as a penny stock bar and an officer-and-director bar against Mr. Letcavage. The SEC Litigation is currently in the discovery stage, which ends in March of 2019, and is set for trial in June of 2019. The Company and Mr. Letcavage are currently vigorously contesting the SEC Litigation. Settlement discussions to date have not been productive. At this time, an estimate of the outcome of this matter cannot be determined.

Shao Shu Zhang, et al. v. Premier Holding Corporation, et al.

On June 18, 2018, Shao Shu Zhang and others filed a complaint against the Company and others in the Los Angeles Superior Court. The Company filed a general denial to the complaint on September 26, 2018. It is currently too early in the litigation to evaluate the likelihood of an unfavorable outcome or any estimate of the amount or range of potential loss.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

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

Market information

Our common stock is quoted on the OTCQB under the symbol "PRHL". Set forth below are the range of high and low bid quotations for the period indicated as reported by the OTC Markets Group (www.otcm Markets.com). The market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commissions and may not necessarily represent actual transactions.

Quarter Ended	Bid High	Bid Low
December 31, 2017	\$ 0.060	\$ 0.021
September 30, 2017	\$ 0.060	\$ 0.035
June 30, 2017	\$ 0.075	\$ 0.041
March 31, 2017	\$ 0.089	\$ 0.052
December 31, 2016	\$ 0.076	\$ 0.052
September 30, 2016	\$ 0.089	\$ 0.060
June 30, 2016	\$ 0.109	\$ 0.045
March 31, 2016	\$ 0.073	\$ 0.045

Transfer Agent

The transfer agent and registrar for our common stock is Columbia Stock Transfer Company, 1869 E. Seltice Way, Suite 292, Post Falls, ID 83854. Their phone number and website are (208) 664-3544 and www.columbiastock.com.

Holders of Common Stock

As of October 2, 2018, there were 1,552 shareholders of record of our common stock. As of such date, 526,189,007 shares were issued and outstanding.

Dividends

We have never declared or paid any cash dividends on our common stock. We currently intend to retain future earnings, if any, to increase our working capital and do not anticipate paying any cash dividends in the foreseeable future.

In the event that we obtain authorization to issue any preferred stock and issue such stock, we must not declare, pay or set apart for payment any dividend or other distribution (unless payable solely in shares of our common stock or other class of stock junior to our preferred stock as to dividends or upon liquidation) in respect of our common stock, nor must we redeem, purchase or otherwise acquire for consideration shares of any of the foregoing, unless dividends, if any, payable to holders of our preferred stock for the current period (and in the case of cumulative dividends, if any, payable to holders of our preferred stock for the current period and in the case of cumulative dividends, if any, for all past periods) have been paid, are being paid or have been set aside for payment, in accordance with the terms of our preferred stock, as fixed by our board of directors.

Other than as stated above, there are no restrictions in our articles of incorporation or bylaws that prevent us from declaring dividends. The Nevada Revised Statutes, however, do prohibit us from declaring dividends where, after giving effect to the distribution of the dividend:

- we would not be able to pay our debts as they become due in the usual course of business; or
- our total assets would be less than the sum of our total liabilities plus the amount that would be needed to satisfy the rights of stockholders who have preferential rights superior to those receiving the distribution.

Recent Sales of Unregistered Securities

During the year ended December 31, 2017, the Company entered into a series of stock purchase agreements with accredited investors for the sale of 53,485,394 shares of its common stock in amount of \$2,204,014. The Company issued 8,087,500 shares of common stock for the conversion of convertible notes totaling \$323,500. Additionally, 4,050,000 shares of common stock were cancelled and returned to the treasury.

During the year ended December 31, 2017, 41,178,595 shares of common stock were issued for consulting services valued at \$0.030 to \$0.074 per share, based upon the fair value of the common stock on the measurement date totaling \$2,553,519, which was recognized immediately as general and administrative expense.

During the year ended December 31, 2017, the Company issued 49,850,252 warrants included with certain stock purchases from accredited investors, with exercise prices ranging from \$0.07 to \$0.10, and expiration dates ranging from 7 months to 5 years. There was no expense resulting from these warrants.

During the year ended December 31, 2017, the Company issued 28,544,760 warrants to consultants for services, with exercise prices ranging from \$0.07 to \$0.10, and an expiration date of one year. The Company recorded expense of \$808,356 related to these warrants which is included in selling, general and administrative expense for the year ended December 31, 2017.

Unless otherwise set forth above, the securities described above were not registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state, and were offered and sold in reliance on the exemption from registration afforded by Section 4(a)(2) under the Securities Act and Regulation D promulgated thereunder and corresponding provisions of state securities laws, which exempt transactions by an issuer not involving any public offering.

Securities Authorized for Issuance Under Equity Compensation Plans

We did not have any equity compensation plans as of December 31, 2017.

Issuer Purchases of Equity Securities

During the year ended December 31, 2017, we did not repurchase any of our equity securities.

ITEM 6. SELECTED FINANCIAL DATA

Not applicable.

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

Cautionary Notice Regarding Forward Looking Statements

The information contained in Item 7 contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Actual results may materially differ from those projected in the forward-looking statements as a result of certain risks and uncertainties set forth in this report. Although management believes that the assumptions made and expectations reflected in the forward-looking statements are reasonable, there is no assurance that the underlying assumptions will, in fact, prove to be correct or that actual results will not be different from expectations expressed in this report.

We desire to take advantage of the “safe harbor” provisions of the Private Securities Litigation Reform Act of 1995. This filing contains a number of forward-looking statements that reflect management’s current views and expectations with respect to our business, strategies, products, future results and events, and financial performance. All statements made in this filing other than statements of historical fact, including statements addressing operating performance, which management expects or anticipates will or may occur in the future, including statements related to our technology, market expectations, future revenues, financing alternatives, statements expressing general optimism about future operating results, and non-historical information, are forward looking statements. In particular, the words “believe,” “expect,” “intend,” “anticipate,” “estimate,” “may,” variations of such words, and similar expressions identify forward-looking statements, but are not the exclusive means of identifying such statements, and their absence does not mean that the statement is not forward-looking. These forward-looking statements are subject to certain risks and uncertainties, including those discussed below. Our actual results, performance or achievements could differ materially from historical results as well as those expressed in, anticipated, or implied by these forward-looking statements. We do not undertake any obligation to revise these forward-looking statements to reflect any future events or circumstances.

Readers should not place undue reliance on these forward-looking statements, which are based on management’s current expectations and projections about future events, are not guarantees of future performance, are subject to risks, uncertainties and assumptions (including those described below), and apply only as of the date of this filing. Our actual results, performance or achievements could differ materially from the results expressed in, or implied by, these forward-looking statements. Factors which could cause or contribute to such differences include, but are not limited to, the risks to be discussed in this Annual Report on Form 10-K and in the press releases and other communications to shareholders issued by us from time to time which attempt to advise interested parties of the risks and factors which may affect our business. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events, or otherwise.

Use of Generally Accepted Accounting Principles (“GAAP”) Financial Measures

We use United States GAAP financial measures in the section of this report captioned “Management’s Discussion and Analysis or Plan of Operation” (MD&A), unless otherwise noted. All of the GAAP financial measures used by us in this Annual Report relate to the inclusion of financial information. This discussion and analysis should be read in conjunction with our financial statements and the notes thereto included elsewhere in this Annual Report. All references to dollar amounts in this section are in United States dollars, unless expressly stated otherwise. Please see our “Risk Factors” for a list of our risk factors.

Overview

This subsection of MD&A provides an overview of the important factors that management focuses on in evaluating our businesses, financial condition and operating performance, our overall business strategy and our financial results for the periods covered.

Results of Operations

Comparison of the Year Ended December 31, 2017 to the Year Ended December 31, 2016

Revenue

For the years ended December 31, 2017 and 2016, our total revenues were \$2,703,683 and \$4,792,471, respectively. The decrease in revenue for the year ended December 31, 2017, compared to the year ended December 31, 2016 is due primarily to a reduction in residential revenue at TPC, which was due primarily to the sales agent attrition of approximately 25% of the door-to-door sales force. The average number of agents in the field fell from 80 in 2016 to 60 in 2017. The drop in the number of agents was due primarily to an outside sales organization who recruited these agents. Since then, TPC has settled a suit that TPC initiated against this firm in which, along with a monetary penalty, the firm agreed to not solicit TPC agents in the future. TPC is actively recruiting to replace this sales force. Also, sales were impacted due to the transitioning of resources to call center and online residential sales in preparation for transitioning to selling our own alternative supplier.

Expenses

The Company's expenses for the years ended December 31, 2017 and 2016 are summarized as follows:

	Year Ended December 31,	
	(in thousands)	
	2017	2016
Revenues	\$ 2,704	\$ 4,792
Cost of revenues	27	419
Gross profit	2,677	4,373
Selling, general and administrative expenses	9,317	9,076
Impairment loss - goodwill	4,000	—
Other expense (income)	(34)	1,108
Loss before income taxes, non-controlling interest and discontinued operations	\$ (10,606)	\$ (5,811)

The decrease in cost of revenues for the year ended December 31, 2017, compared to the year ended December 31, 2016 is due to a reduction in product revenue from our E3 subsidiary. The increase in selling, general and administrative expenses for the year ended December 31, 2017, compared to the year ended December 31, 2016, is due primarily to an increase in stock-based compensation paid to consultants for services during the first quarter of 2017. These services included advisory services related to strategic planning, equity and debt financings, financial restructuring and assisting the Company in obtaining qualified persons to serve as senior management and directors.

The impairment loss related to goodwill during the year ended December 31, 2017 is a result of management's determination of impairment of the goodwill related to its 2013 acquisition of TPC. We used a blend of the discounted cash flow method and the guideline company transactions method for the impairment testing as of September 30, 2017 and December 31, 2017. The Company performed discounted cash flow analysis projected over 5 years to estimate the fair value of the reporting unit, using management's best judgement as to revenue growth rates and expense projections. This analysis indicated cash flows (and discounted cash flows) less than the \$4 million book value of goodwill. This analysis also factored the recent reduction in residential revenue at TPC. We determined these were indicators of impairment in goodwill for TPC during the year ended December 31, 2017 and impaired the goodwill in full by \$4,000,000.

Other Income (Expense)

	Year Ended December 31,	
	(in thousands)	
	2017	2016
Interest expense	\$ (657)	\$ (1,935)
Gain (loss) on change in fair value of derivative liability	692	827
Total	\$ 35	\$ (1,108)

The decrease in other expense for the year ended December 31, 2017, compared to the prior period is mainly attributable to the decrease in convertible notes from conversions to common stock resulting in decreased interest expense.

Working Capital

The following table sets forth a summary of changes in working capital for the twelve months ended December 31, 2016:

	December 31, 2017	December 31, 2016
Current assets	\$ 1,353,585	\$ 2,506,842
Current liabilities	2,284,142	2,966,511
Working capital	<u>\$ (570,527)</u>	<u>\$ (459,699)</u>

The decrease in working capital is due primarily from the reduction cash balances, along with a decrease in the derivative liability related to convertible notes.

Cash Flows

The following table sets forth a summary of changes in cash flows for the twelve months ended December 31, 2017 and 2016:

	Twelve Months Ended December 31,	
	2017	2016
Net cash used in operating activities	\$ (3,519,795)	\$ (4,002,955)
Net cash provided by (used in) investing activities	(1,663)	(264,572)
Net cash provided by financing activities	2,280,482	5,683,304
Change in cash	<u>\$ (1,240,976)</u>	<u>\$ 1,415,777</u>

The decrease in cash provided by operating activities was due primarily to a decrease in revenues and an increase in selling, general and administrative expenses for the twelve months ended December 31, 2017 as compared to the same period in 2016, offset by non-cash expenses related to share-based payments for services.

The decrease in cash from financing activities was due primarily to a decrease in proceeds from the sale of common stock and issuance of convertible notes payable for the year ended December 31, 2017 as compared to the same period in 2016.

Going Concern

The audited consolidated financial statements contained in this annual report have been prepared assuming that the Company will continue as a going concern. Since inception, the Company has financed its operations primarily through proceeds from the issuance of common stock and convertible notes payable. As of December 31, 2017, the Company had an accumulated deficit of approximately \$40 million. During the twelve months ended December 31, 2017 and 2016, the Company incurred net losses of \$10,605,874 and \$5,684,521, respectively, and used cash in operating activities of \$3,519,795 and \$4,002,955, respectively. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Presently, we do not have sufficient cash resources to meet our plans for the next twelve months. These factors raise substantial doubt about the Company's ability to continue as a going concern. The audited consolidated financial statements do not include any adjustments that may be necessary should the Company be unable to continue as a going concern. Our continuation as a going concern is dependent on our ability to obtain additional financing as may be required and ultimately to attain profitability.

Cash Requirements

We have not generated any profit from combined operations since our inception. We expect that our operating expenses will increase over the next twelve months as we continue our development activities. Based on our average monthly expenses and current burn rate, we estimate that we will need to raise an additional \$3,000,000 to \$3,500,000 over the next twelve months. This amount could increase if we encounter difficulties that we cannot anticipate at this time or if we acquire other businesses. As of the date of this filing, we had cash and cash equivalents of approximately \$200,000. We do not expect to raise capital through debt financing from traditional lending sources since we are not currently generating a profit from operations. Therefore, we only expect to raise money through equity financing via the sale of our common stock or equity-linked securities such as convertible debt. There can be no assurance, however, that such financing will be available or, if it is available, that we will be able to structure such financing on terms acceptable to us and that it will be sufficient to fund our cash requirements until we can reach a level of profitable operations and positive cash flows. Further, if we issue additional equity or debt securities, stockholders may experience additional dilution or the new equity securities may have rights, preferences or privileges senior to those of existing holders of our shares of common stock or the debt securities may cause us to be subject to restrictive covenants. Even if we are able to raise the funds required, it is possible that we could incur unexpected costs and expenses or experience unexpected cash requirements that would force us to seek additional financing. If additional financing is not available or is not available on acceptable terms, we will have to curtail our operations.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

Effects of Inflation

We do not believe that inflation has had a material impact on our business, revenues or operating results during the periods presented.

Critical Accounting Policies and Estimates

Our significant accounting policies are more fully described in the notes to our financial statements included herein for the fiscal year ended December 31, 2017. We believe that the accounting policies below are critical for one to fully understand and evaluate our financial condition and results of operations.

Cash

We consider all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. As of December 31, 2017, we do not have any cash equivalents.

Accounts Receivable

All accounts receivable are due thirty (30) days from the date billed. If the funds are not received within thirty (30) days, the customer is contacted for payment. We use the allowance method to account for uncollectable accounts receivable. As of December 31, 2017 and 2016, the balance of allowance for bad debts was \$55,000 and \$55,000, respectively.

Non-controlling Interest

Non-controlling interests in TPC is recorded as a component of our equity, separate from the parent's equity. Purchase or sales of equity interests that do not result in a change of control are accounted for as equity transactions. Results of operations attributable to the non-controlling interest are included in our consolidated results of operations and, upon loss of control, the interest sold, as well as interest retained, if any, will be reported at fair value with any gain or loss recognized in earnings. We maintain an 80% limited interest in TPC and the remaining 20% non-controlling interest is held by TPC's members.

Net Loss Per Share of Common Stock

We have adopted *ASC Topic 260 Earnings per Share*, which provides for calculation of “basic” and “diluted” earnings (loss) per share. Basic earnings (loss) per share includes no dilution and is computed by dividing net income (loss) available to common shareholders by the weighted average common shares outstanding for the period. Diluted earnings (loss) per share reflect the potential dilution of securities that could share in the earnings of an entity similar to fully diluted earnings (loss) per share. We exclude equity instruments from the calculation of diluted earnings per share if the effect of including such instruments is anti-dilutive. As of December 31, 2017, we had 1,650,000 stock options outstanding and 172,769,487 warrants outstanding. As of December 31, 2016, we had 1,650,000 stock options outstanding and 227,271,136 warrants outstanding. Net convertible debt as of December 31, 2017 was \$1,307,758 and is convertible between three months to one year from the original loan agreement date.

Income Taxes

Deferred income tax is provided for differences between the bases of assets and liabilities for financial and income tax reporting. A deferred tax asset, subject to a valuation allowance, is recognized for estimated future tax benefits of tax-basis operating losses being carried forward. Income taxes are provided based upon the liability method of accounting pursuant to the *ASC Topic 740 Income Taxes*. Under this approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against the deferred tax asset if management does not believe we have met the “more likely than not” standard to allow recognition of such an asset.

Stock-Based Compensation

We periodically issue stock options and warrants to employees and non-employees in non-capital raising transactions for services and for financing costs. We account for stock option and warrant grants issued and vesting to employees based on *ASC 718 Compensation—Stock Compensation*, where the award is measured at its fair value at the date of grant and is amortized ratably over the service period. We account for stock option and warrant grants issued and vesting to non-employees in accordance with *ASC 505 Equity*, where the value of the stock compensation is based upon the measurement date as determined at either (a) the date at which a performance commitment is reached, or (b) at the date at which the necessary performance to earn the equity instruments is complete.

Fair Value Measurements

On January 1, 2011, we adopted guidance which defines fair value, establishes a framework for using fair value to measure financial assets and liabilities on a recurring basis, and expands disclosures about fair value measurements. Beginning on January 1, 2011, we also applied the guidance to non-financial assets and liabilities measured at fair value on a non-recurring basis, which includes goodwill and intangible assets. The guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent sources. Unobservable inputs are inputs that reflect our assumptions of what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of the inputs as follows:

Level 1 - Valuation is based upon unadjusted quoted market prices for identical assets or liabilities in accessible active markets.

Level 2 - Valuation is based upon quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or valuations based on models where the significant inputs are observable in the market.

Level 3 - Valuation is based on models where significant inputs are not observable. The unobservable inputs reflect a company’s own assumptions about the inputs that market participants would use.

The Company's financial instruments consist of cash, accounts receivable, notes receivable, accounts payable, notes payable, accrued liabilities and derivative liabilities. The estimated fair value of cash, accounts receivable, notes receivable, accounts payable, notes payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments.

Certain non-financial assets are measured at fair value on a nonrecurring basis. Accordingly, these assets are not measured and adjusted to fair value on an ongoing basis but are subject to periodic impairment tests. These items primarily include long-lived assets, goodwill and other intangible assets.

Goodwill

We periodically review the carrying value of intangible assets not subject to amortization, including goodwill, to determine whether impairment may exist. Goodwill and certain intangible assets are assessed annually, or when certain triggering events occur, for impairment using fair value measurement techniques. These events could include a significant change in the business climate, legal factors, a decline in operating performance, competition, sale or disposition of a significant portion of the business, or other factors. Specifically, goodwill impairment is determined using a two-step process. The first step of the goodwill impairment test is used to identify potential impairment by comparing the fair value of a reporting unit with its carrying amount, including goodwill. We use level 3 inputs and a discounted cash flow methodology to estimate the fair value of a reporting unit. A discounted cash flow analysis requires one to make various judgmental assumptions including assumptions about future cash flows, growth rates, and discount rates. The assumptions about future cash flows and growth rates are based on our budget and long-term plans. Discount rate assumptions are based on an assessment of the risk inherent in the respective reporting units. If the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not impaired and the second step of the impairment test is unnecessary. If the carrying amount of a reporting unit exceeds its fair value, the second step of the goodwill impairment test is performed to measure the amount of impairment loss, if any. The second step of the goodwill impairment test compares the implied fair value of the reporting unit's goodwill with the carrying amount of that goodwill. If the carrying amount of the reporting unit's goodwill exceeds the implied fair value of that goodwill, an impairment loss is recognized in an amount equal to that excess. The implied fair value of goodwill is determined in the same manner as the amount of goodwill recognized in a business combination. That is, the fair value of the reporting unit is allocated to all of the assets and liabilities of that unit (including any unrecognized intangible assets) as if the reporting unit had been acquired in a business combination and the fair value of the reporting unit was the purchase price paid to acquire the reporting unit.

Concentrations of Credit Risk

We maintain deposits in a financial institution which is insured by the Federal Deposit Insurance Corporation ("FDIC"). At various times, we have deposits in this financial institution in excess of the amount insured by the FDIC. We have not experienced any losses related to these balances and believes its credit risk to be minimal.

Newly Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2014-09 (ASU 2014-09) "Revenue from Contracts with Customers." ASU 2014-09 will supersede most current revenue recognition guidance, including industry-specific guidance. The underlying principle is that an entity will recognize revenue upon the transfer of goods or services to customers in an amount that the entity expects to be entitled to in exchange for those goods or services. The guidance provides a five- step analysis of transactions to determine when and how revenue is recognized. Other major provisions include capitalization of certain contract costs, consideration of the time value of money in the transaction price, and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. The guidance also requires enhanced disclosures regarding the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The guidance is effective for the interim and annual periods beginning on or after December 15, 2016 (early adoption is not permitted). The guidance permits the use of either a retrospective or cumulative effect transition method. On July 9, 2015, the FASB decided to delay the effective date of the new revenue standard by one year. The FASB also agreed to allow entities to choose to adopt the standard as of the original effective date. The Company is currently evaluating the impact of this standard.

In August 2014, the FASB issued ASU 2014-15, Presentation of Financial Statements-Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern. ASU 2014-15 defines management's responsibility to evaluate whether there is substantial doubt about an organization's ability to continue as a going concern and to provide related footnote disclosures. The amendments in this ASU are effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter, although early adoption is permitted. This guidance is not expected to have an impact on the financial statements of the Company. If any event occurs in future periods that could affect our ability to continue as going concern, we will provide appropriate disclosures as required by ASU 2014-15.

In July 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2015-11 (ASU 2015-11), Simplifying the Measurement of Inventory. According to ASU 2015-11, an entity should measure inventory within the scope of this update at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Subsequent measurement is unchanged for inventory measured using LIFO or the retail inventory method. The amendments in ASU 2015-11 more closely align the measurement of inventory in GAAP with the measurement of inventory in International Financial Reporting Standards (IFRS). The Board has amended some of the other guidance in Topic 330 to more clearly articulate the requirements for the measurement and disclosure of inventory. However, the Board does not intend for those clarifications to result in any changes in practice. Other than the change in the subsequent measurement guidance from the lower of cost or market to the lower of cost and net realizable value for inventory within the scope of ASU 2015-11, there are no other substantive changes to the guidance on measurement of inventory. For public business entities, the amendments in ASU 2015-11 are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. The amendments in ASU 2015-11 should be applied prospectively with earlier application permitted as of the beginning of an interim or annual reporting period. The Company elected to early adopt the above. The adoption doesn't have a significant impact on the Company's consolidated financial position or results of operations.

During November 2015, the FASB issued ASU 2015-17, Balance Sheet Classification of Deferred Taxes, which simplifies the presentation of deferred income taxes. ASU 2015-17 provides presentation requirements to classify deferred tax assets and liabilities as noncurrent in a classified statement of financial position. The standard is effective for fiscal years beginning after December 15, 2016, including interim periods within that reporting period. Early adoption is permitted for any interim and annual financial statements that have not yet been issued. We early adopted ASU 2015-17 effective December 31, 2015 on a prospective basis. The adoption did not have a significant impact on the Company's consolidated financial position or results of operations.

In January 2016, the FASB issued ASU 2016-01, Financial Instruments – Overall: Recognition and Measurement of Financial Assets and Financial Liabilities. The pronouncement requires equity investments (except those accounted for under the equity method of accounting, or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income. ASU 2016-01 requires public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes, requires separate presentation of financial assets and financial liabilities by measurement category and form of financial asset, and eliminates the requirement for public business entities to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost. These changes become effective for the Company's fiscal year beginning January 1, 2018. The expected adoption method of ASU 2016-01 is being evaluated by the Company and the adoption is not expected to have a significant impact on the Company's consolidated financial position or results of operations.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which supersedes the existing guidance for lease accounting, Leases (Topic 840). ASU 2016-02 requires lessees to recognize leases on their balance sheets, and leaves lessor accounting largely unchanged. The amendments in this ASU are effective for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years. Early application is permitted for all entities. ASU 2016-02 requires a modified retrospective approach for all leases existing at, or entered into after, the date of initial application, with an option to elect to use certain transition relief. The Company is currently evaluating the impact of this new standard on its consolidated financial statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

The information called for by Item 8 is included following the "Index to Financial Statements" on page F-1 contained in this annual report on Form 10-K.

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

None.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our chief executive officer (principal executive officer), who also serves as our chief financial officer (principal financial officer and principal accounting officer) to allow for timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and our management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

We carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, of the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)). Based upon that evaluation, our principal executive officer and principal financial officer concluded that, as of the end of period covered in this report, our disclosure controls and procedures were not effective. The ineffectiveness of the Company's disclosure controls and procedures was due to material weaknesses identified in the Company's internal control over financial reporting, described below.

Management's Report on Internal Control over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over the Company's financial reporting. In order to evaluate the effectiveness of internal control over financial reporting, as required by Section 404 of the Sarbanes-Oxley Act of 2002, our management, with the participation of the Company's principal executive officer and principal financial officer has conducted an assessment, including testing, using the criteria in Internal Control - Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") (2013). Our system of internal control over financial reporting is 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 its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. This assessment included review of the documentation of controls, evaluation of the design effectiveness of controls, testing of the operating effectiveness of controls and a conclusion on this evaluation. Based on this evaluation, the Company's management concluded its internal control over financial reporting was not effective as of December 31, 2017. The ineffectiveness of the Company's internal control over financial reporting was due to the following material weaknesses which are indicative of many small companies with small staff:

- (i) inadequate segregation of duties consistent with control objectives; and
- (ii) ineffective controls over period end financial disclosure and reporting processes.

Our management feels the weaknesses identified above have not had any material effect on our financial results. However, we are currently reviewing our disclosure controls and procedures related to these material weaknesses and expect to implement changes in the next fiscal year, including identifying specific areas within our governance, accounting and financial reporting processes to add adequate resources to potentially mitigate these material weaknesses.

Our management will continue to monitor and evaluate the effectiveness of our internal controls and procedures and our internal controls over financial reporting on an ongoing basis and is committed to taking further action and implementing additional enhancements or improvements, as necessary and as funds allow.

Because of its inherent limitations, internal controls over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation.

Management's Remediation Plan

We plan to take steps to enhance and improve the design of our internal control over financial reporting. During the period covered by this annual report on Form 10-K, we have not been able to remediate the material weaknesses identified above. To remediate such weaknesses, we plan to implement the following changes in the next fiscal year as resources allow:

- (i) appoint additional qualified personnel to address inadequate segregation of duties and ineffective risk management and implement modifications to our financial controls to address such inadequacies; and
- (ii) adopt sufficient written policies and procedures for accounting and financial reporting.

The remediation efforts set out in (i) is largely dependent upon our company securing additional financing to cover the costs of hiring the requisite personnel and implementing the changes required. If we are unsuccessful in securing such funds, remediation efforts may be adversely affected in a material manner. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues, if any, within our company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake.

Management believes that despite our material weaknesses set forth above, our financial statements for the year ended December 31, 2017 are fairly stated, in all material respects, in accordance with U.S. GAAP.

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting during the year ended December 31, 2017 that have materially affected, or are reasonably likely to materially affect our internal control over financial reporting. We believe that a control system, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the control system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within any company have been detected.

ITEM 9B. OTHER INFORMATION

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Directors and Executive Officers

As of September 24, 2018, our directors and executive officers, their age, positions held, and duration of such, are as follows:

Name	Position Held with Company	Age	Date First Elected or Appointed
Randall Letcavage ⁽¹⁾	Chief Executive Officer, President, Chief Financial Officer and Chairman of the Board of Directors	60	October 5, 2012
Woodrow Clark, PhD ⁽²⁾	Director	73	July 29, 2012
Lane Harrison ⁽³⁾	Director	66	October 5, 2012
Jack Gregory ⁽⁴⁾	Vice President and Director	86	August 15, 2018
Robert Baron ⁽⁵⁾	Director	78	October 9, 2015

Notes

- (1) Mr. Letcavage was appointed Chief Executive Officer on November 1, 2012.
- (2) Dr. Clark was appointed Director on July 29, 2012 and resigned on October 2, 2018
- (3) Mr. Harrison was elected Director on October 5, 2012.
- (4) Mr. Gregory was appointed Director on August 15, 2018.
- (5) Mr. Baron was appointed Director on October 9, 2015 and resigned his position effective July 26, 2018.

Business Experience

The following is a brief account of the education and business experience of our directors and executive officers during the past five years, indicating their principal occupation during the period, and the name and principal business of the organization by which they were employed.

Randall Letcavage – Chief Executive Officer, President, Chief Financial Officer and Chairman of the Board of Directors

Mr. Letcavage was named Chairman, President, Chief Executive Officer, and Chief Financial Officer of the Company on October 5, 2012. Prior to this he was employed as a consultant by Capital Finance LLC. He brings in excess of 25 years plus of business experience specializing in the financial markets and business consulting and green energy/clean technology. For the past 20 years Mr. Letcavage has been an investment banker widely recognized for individual achievements as well as his role of Founder, Officer and Director of the iCapital Group that includes iCapital Finance Inc, iCapital Advisory LLC and iCap Development LLC (A National “CDE” Community Development Entity – Certified by the U.S Treasury Department). Mr. Letcavage has also held executive positions, invested, and/or operated numerous businesses including related companies in “Power Generation and Power Reduction” – CEO of Ciralight Global Inc, CEO of Green Central Holdings, Consultant and second largest shareholder of publicly traded PRHL which operates Energy Efficiency Experts (E3). Letcavage had been successful in many areas additionally providing capital to healthcare companies. Mr. Letcavage personally acted as an advisor to municipalities leading millions in industrial bond transactions, while also advising the National Conference of Black Mayors (NCBM; over 800 members all of whose cities may one day be able to offer deregulated power services). Mr. Letcavage served as the Managing Director of NC Capital Markets and as Vice President of The National Capital Companies, Inc. (directing the daily operations of most of its subsidiaries). Mr. Letcavage was formerly the CEO and a majority owner of Capital Access Group. Prior to Capital Access, Mr. Letcavage founded and/or managed several asset management firms, including Valley Forge Capital Holdings and the Marshall Plan, LLC that directed and/or co-managed over \$3 billion in assets with former renowned CALPERS (California Pension & Retirement Systems) Manager, Greta Marshall. Prior to Valley Forge, Mr. Letcavage founded Security America, Inc., an asset management firm based in Grosse Pointe, Michigan. Mr. Letcavage worked with Prudential-Bache running a Joint Venture —High Net Worth Group (a/k/a Security American, Inc.).

Woodrow Clark, PhD – Director

Dr. Clark was appointed a Director of the Company on July 29, 2012. Dr. Clark, a long-time advocate for the environment and renewable energy, is an internationally recognized author, lecturer, public speaker and advisor specializing in sustainable communities. Dr. Clark was one of the contributing scientists to the work of the United Nations Intergovernmental Panel on Climate Change (UNIPCC) which as an organization was awarded the Nobel Peace Prize in December 2007. In 2004, he founded, and now manages, Clark Strategic Partners (CSP), an environmental and renewable energy consulting firm using his political-economic expertise in order to guide, advice and implements public and private clients worldwide – specifically on sustainable smart green communities of all kinds ranging from colleges and universities to shopping malls, office buildings and film studios. Dr. Clark’s five books and 50+ peer-reviewed articles reflect that concern for global sustainable communities. His last book is Global Energy Innovations (Praeger Press, November 2011) that concerns the “green industrial revolution” (GIR). He explains his work as being the solutions to climate change through public policy, science and technologies, economics and finance. Clark also teaches graduate courses in these areas throughout the USA and internationally. Currently, Dr. Clark is Academic Specialist, UCLA Provost Office and Cross-Disciplinary Scholars in Science and Technology. Prior to launching CSP, Dr. Clark was Senior Advisor on Renewable Energy, Emerging Technologies, and Finance to California Governor Gray Davis from 2000-2003. Before that, from 1999-2000, he was a Visiting Professor of Science, Technology and Entrepreneurship at Aalborg University, Denmark, where he was a Fulbright Fellow in 1994. Dr. Clark was the Manager of Strategic Planning for Technology Transfer at Lawrence Livermore National Laboratory (LLNL) for the University of California and U.S. Department of Energy, during the 1990s. In 1980, he founded a mass media company in San Francisco, CA, Clark Communications, specializing in the production and distribution of documentary and educational films focused on “social issues” such as “sexual harassment”, “health issues” and older workers along with other topics including books from dramatic current events. Dr. Clark earned three masters’ degrees from different universities in Illinois and his Ph.D. at University of California, Berkeley.

Lane Harrison - Director

Lane Harrison was appointed a Director of the Company on October 5, 2012. Mr. Harrison was Founder and President of Affluent and Corporate Insurance Services, Inc. and is currently Founder and President of Capital Preservation Insurance Services, Inc. The firms provide insurance and advanced consulting services to professional advisors, corporations, small business owners and high net worth families. Mr. Harrison has over 30 years of business consulting and sale/marketing experience. He has lectured extensively to the professional advisor community. In addition, Mr. Harrison advised large multi- national corporations such as Bicoastal Corporation, (Formerly Singer Corp.) where he served as Director, and Bicoastal Financial Corporation, serving as President/Director. Mr. Harrison is a graduate of Salem State College with a Bachelor of Arts in Social Welfare.

Jack Gregory – Vice President, Director

Jack Gregory, PhD, M.D. was appointed a Director of the Company on August 15, 2018. Concurrent to Practicing Medicine for almost 50 years, and six years in the military, Dr. Gregory has been actively involved in mergers and acquisitions and public companies. He helped establish Tanger Industries to grow and develop into a listed company, as well as many other corporations which he single-handedly took public, grew, and eventually sold. It was Dr. Gregory who took control of the small operating company which later became Premier Holding Corporation and sold it to current management.

Family Relationships

There are no family relationships among our directors and executive officers.

Involvement in Certain Legal Proceedings.

No director or executive officer has been a director or executive officer of any business which has filed a bankruptcy petition or had a bankruptcy petition filed against it in the past ten years. No director or executive officer has been convicted of a criminal offense within the past ten years or is the subject of a pending criminal proceeding. No director or executive officer has been the subject of any order, judgment or decree of any court permanently or temporarily enjoining, barring, suspending or otherwise limiting his involvement in any type of business, securities or banking activities. No director or officer has been found by a court to have violated a federal or state securities or commodities law.

Significant Employees

We do not have other significant employees.

Committees of Board of Directors

There are currently no committees of the Board of Directors. Our board of directors is of the view that it is appropriate for us not to have a standing nominating, audit or compensation committee because the current size of our board of directors does not facilitate the establishment of a separate committee. Our board of directors has performed, and will perform adequately, the functions of any specific committee.

Term of Office

Our directors hold office until their successors are elected or appointed at their election at an annual general meeting or their appointment by the unanimous resolution of our shareholders. Notwithstanding the foregoing, our directors hold office until their successors are elected or appointed, or until their deaths, resignations or removals.

Director Independence

Our board of directors consists of Randall Letcavage, Robert Baron, Lane Harrison and Woodrow W. Clark II. Our securities are quoted on the OTC Markets, Pink Tier, which does not have any director independence requirements. Under NASDAQ Marketplace Rule 5605(a)(2), a director is not considered to be independent if he or she is also an executive officer or employee of the company. Using this definition of independence, we have determined that three directors, Robert Baron, Lane Harrison and Woodrow W. Clark II, are independent directors. Randall Letcavage is not independent as he is an officer and employee of the Company.

Section 16(a) Beneficial Ownership Compliance

Section 16(a) of the Securities Exchange Act, as amended, requires our executive officers and directors, and persons who own more than 10% of our common stock, to file reports regarding ownership of, and transactions in, our securities with the Securities and Exchange Commission and to provide us with copies of those filings. Based solely on our review of the copies of such forms received by us, or written representations from certain reporting persons, during the year ended December 31, 2017, the filing requirements applicable to its officers, directors and greater than 10% beneficial owners were complied.

Code of Ethics

We currently do not have a Code of Ethics.

ITEM 11. EXECUTIVE COMPENSATION

Summary Compensation

The following table summarizes the compensation of each named executive for the years ended December 31, 2017 and 2016 awarded to or earned by (i) each individual serving as our principal executive officer and principal financial officer of the Company and (ii) each individual that served as an executive officer of the Company at the end of such fiscal years who received compensation in excess of \$100,000.

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Nonequity Incentive Plan Compensation (\$)	Change in Pension Value and Non Qualified Deferred Compensation Earnings (\$)	All Other Compensation (\$)	Total (\$)
Randall Letcavage	2017	374,880	50,000	-	-	-	-	-	424,880
CEO, CFO ^{1,2,3}	2016	240,000	52,000	-	-	-	-	-	292,000

Notes

- (1) During the year ended December 31, 2016, Mr. Letcavage (directly or through related entities) earned \$374,880 as compensation for his role as our CEO and CFO.
- (2) During the year ended December 31, 2016, the Company incurred expenses of \$10,571 to iCapital Advisory for consulting services, a related party entity for which Mr. Letcavage is the President.
- (3) No retirement, pension, profit sharing, stock option or insurance programs or other similar programs have been adopted by us for the benefit of our employees.

We currently do not have a written employment agreement with Mr. Letcavage.

Outstanding Equity Awards at Fiscal Year End

The following table summarizes the outstanding equity awards held by each named executive officer of our company as of December 31, 2017.

	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options Unexercisable (#)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that have not Vested (#)	Market Value of Shares or Units of Stock that have not Vested (#)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that have not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that Have not Vested (\$)
Randall Letcavage, CEO, CFO	1,150,000	-	-	0.0025 to 0.15	12/31/19 to 12/31/20	-	-	-	-
Woodrow Clark, PhD, Director	150,000	-	-	0.15	12/31/19	-	-	-	-
Lane Harrison, Director	150,000	-	-	0.15	12/31/19	-	-	-	-

Retirement or Similar Benefit Plans

There are no arrangements or plans in which we provide retirement or similar benefits for our directors or executive officers.

Resignation, Retirement, Other Termination, or Change in Control Arrangements

We have no contract, agreement, plan or arrangement, whether written or unwritten, that provides for payments to our directors or executive officers at, following, or in connection with the resignation, retirement or other termination of our directors or executive officers, or a change in control of our company or a change in our directors' or executive officers' responsibilities following a change in control.

Director Compensation

The following table sets forth for each director certain information concerning his compensation for the year ended December 31, 2017.

	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Change in Pension Value and Nonqualified Deferred Compensation Earnings (\$)	All other Compensation (\$)	Total (\$)
Randall Letcavage	-	-	-	-	-	-	-
Woodrow Clark, PhD	-	-	-	-	-	8,500	8,500
Lane Harrison	-	-	-	-	-	8,000	8,000
Robert Baron	-	-	-	-	-	24,000	24,000

All directors receive reimbursement for reasonable out of pocket expenses in attending board of directors' meetings and for promoting our business. From time to time we may engage certain members of the board of directors to perform services on our behalf. In such cases, we intend to compensate the members for their services at rates no more favorable than could be obtained from unaffiliated parties.

Mr. Letcavage receives compensation for his services as an executive officer of the Company, but not as a director. Dr. Clark received speaking fees when speaking on behalf of the company at symposia and conventions. Mr. Harrison received fees for extra services he provided including consulting and lead generation. Mr. Baron received fees for extra services he provides including consulting and other services.

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

The following tables set forth, as of October 2, 2018, certain information with respect to the beneficial ownership of our common stock by each stockholder known by us to be the beneficial owner of more than 5% of our common stock and by each of our current directors and executive officers. Each person has sole voting and investment power with respect to the shares of common stock, except as otherwise indicated. Beneficial ownership consists of a direct interest in the shares of common stock, except as otherwise indicated.

In the following tables, we have determined the number and percentage of shares beneficially owned in accordance with Rule 13d3 of the Securities Exchange Act of 1934 based on information provided to us by our controlling stockholder, executive officers and directors, and this information does not necessarily indicate beneficial ownership for any other purpose. In determining the number of shares of our common stock beneficially owned by a person and the percentage ownership of that person, we include any shares as to which the person has sole or shared voting power or investment power, as well as any shares subject to warrants or options held by that person that are currently exercisable or exercisable within 60 days.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership ^{(4) (5)}	Percent of Class
Common Stock	Randall Letcavage 1382 Valencia, Unit F Tustin, CA 92780	8,638,486 Direct ^{(1) (2)}	1.64%
Common Stock	Green Central Holdings, Inc. 18101 Von Karman, 3 rd Floor Irvine, CA 92612	2,810,719 Direct ⁽⁶⁾	<1%
Common Stock	Woodrow Clark, PhD 1382 Valencia, Unit F Tustin, CA 92780	150,000 Direct ⁽³⁾	<1%
Common Stock	Lane Harrison 1382 Valencia, Unit F Tustin, CA 92780	150,000 Direct ⁽³⁾⁽⁵⁾	<1%
Common Stock	Robert Baron 1382 Valencia, Unit F Tustin, CA 92780	-	-
Common Stock	Directors & Executive Officers as a group (4 persons)	11,749,205 Direct	2.23%

Notes

- (1) Includes 7,488,486 common shares, 1,000,000 stock options exercisable at \$0.0025, 150,000 stock options exercisable at \$0.15, and 250,000 Series B Preferred Shares, which carry voting rights of 1,000 shares of common stock for every 1 share of preferred stock. Including the common and preferred shares, Mr. Letcavage possesses the combined voting power of 257,488,486 shares of common stock.
- (2) Beneficial ownership includes stock options.
- (3) The beneficial owner has sole voting and investment power with respect to the shares shown.
- (4) All ownership is beneficial and of record, unless indicated otherwise.
- (5) Stock options owned by Patriot Advisory Group, LLC, Series A, of which Mr. Harrison is the Manager.
- (6) Mr. Letcavage is the President of Green Central Holdings, Inc.

*Changes in Control***Series B Preferred Stock**

On December 16, 2015, the Board of Directors of the Company authorized a Series B Preferred Stock, designated as the "Series B Voting Convertible Preferred Stock" (the "Series B Preferred"). The Series B Preferred consists of Two Hundred Fifty Thousand (250,000) shares at \$.0001 par value and voting rights of 1,000 votes for each share of Series B Preferred. All other rights and privileges shall be the same as the Series A Preferred. As of December 31, 2017, there were 250,000 shares of Series B Preferred issued and outstanding which constitutes a combined voting right of 250,000,000 shares of our common stock.

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

Transactions with Related Persons

Except as set out below, as of December 31, 2017, there have been no transactions, or currently proposed transactions, in which we were or are to be a participant and the amount involved exceeds the lesser of \$120,000 or one percent of the average of our total assets at year-end for the last two completed fiscal years, and in which any of the following persons had or will have a direct or indirect material interest:

- any director or executive officer of our company;
- any person who beneficially owns, directly or indirectly, shares carrying more than 5% of the voting rights attached to our outstanding shares of common stock;
- any promoters and control persons; and
- any member of the immediate family (including spouse, parents, children, siblings and in laws) of any of the foregoing persons.

During year ended December 31, 2017 and 2016, Mr. Letcavage (directly or through related entities) recorded \$424,880 (including \$55,440 for amounts due for prior years and accrued and unpaid amount of \$59,369 as of December 31, 2017) and \$292,000, respectively as compensation for his role as our CEO and CFO. The following tables outline the related parties associated with the Company and amounts due for each period indicated:

Name of Related Party	Relationship with the Company
iCapital Advisory	Consultant company owned by the CEO of the Company
Jamp Promotion	Company owned by Patrick Farah, the managing director of TPC
Mason Ventures	Company owned by Shadie Kalkas, the managing director of TPC

	December 31, 2017	December 31, 2016
iCapital Advisory – Consulting fees	\$ 110,656	\$ 31,467
Jamp Promotion – Commissions	90,500	90,500
	<u>\$ 201,156</u>	<u>\$ 121,967</u>
Related party receivable - Mason Ventures and Sebo Services	<u>\$ 52,429</u>	<u>67,879</u>

During the year ended December 31, 2017, we received loans from Mason Ventures of approximately \$15,450 and repaid \$0. During the year ended December 31, 2016, we received loans from Mason Ventures of approximately \$710,453 and repaid approximately \$783,370. The loans are unsecured and non-interest bearing.

Named Executive Officers and Current Directors

For information regarding compensation for our named executive officers and current directors, see "Executive Compensation."

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES*Audit and Accounting Fees*

The following table sets forth the fees billed to the Company for professional services rendered by Anton & Chia, LLP ("AC"), for each of the years ended December 31, 2017 and 2016:

Services	AC	
	2017	2016
Audit fees	\$ 78,750	\$ 78,750
Audit related fees	—	—
Tax fees	—	—
All other fees	—	—
Total fees	\$ 78,750	\$ 78,750

Audit Fees

The audit fees were paid for the audit services of our annual and quarterly reports and issuing consents for our registration statements.

Tax Fees

The tax fees were paid for reviewing various tax related matters.

Pre-Approval Policies and Procedures

Our board of directors preapproves all services provided by our independent registered public accounting firm. All of the above services and fees were reviewed and approved by the board of directors before the respective services were rendered. Our board of directors has considered the nature and amount of fees billed by AC and believes that the provision of services for activities unrelated to the audit is compatible with maintaining their respective independence.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES

(a) (1) Financial Statements:

Report of Independent Registered Public Accounting Firm – Anton & Chia, LLP

Balance Sheets as of December 31, 2017 and 2016.

Statements of Operations for the Years Ended December 31, 2017 and 2016.

Statement of Changes in Stockholders' Equity for the Years Ended December 31, 2017 and 2016.

Statements of Cash Flows for the Years Ended December 31, 2017 and 2016.

No.	Description
3.1	Articles of Incorporation (incorporated by reference to an exhibit to a registration statement on Form S-1)
3.2*	By laws
31.1*	Certification Statement of the Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification Statement of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1*	Certification Statement of the Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2*	Certification Statement of the Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101*	Financial statements formatted in Extensible Business Reporting Language (XBRL): (i) the Consolidated Balance Sheets, (ii) the Consolidated Statements of Operations and Comprehensive Loss, (iii) the Consolidated Statements of Cash Flows and (v) the Notes to Consolidated Financial Statements tagged as blocks of text.

* Filed herewith

SIGNATURES

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

PREMIER HOLDING CORPORATION

By: /s/ Randall Letcavage
Randall Letcavage
Chief Executive Officer & Chief Financial Officer (Principal Executive Officer
and Principal Financial and Accounting Officer)
Date: October 5, 2018

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

By: /s/ Randall Letcavage
Randall Letcavage
Chairman of the Board of Directors
Date: October 5, 2018

By: /s/ Lane Harrison
Lane Harrison
Director
Date: October 5, 2018

By: /s/ Jack Gregory
Jack Gregory
Director
Date: October 5, 2018

PREMIER HOLDING CORPORATION
CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2017

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Premier Holding Corporation

We have audited the accompanying consolidated balance sheet of Premier Holding Corporation (the "Company") as of December 31, 2017 and the related consolidated statements of operations, changes in stockholders' deficit, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement. The Company was not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control over financial reporting. Accordingly, we express no such opinion. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. Our audit also include assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2017 and the consolidated results of their operations, and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3, the Company has recurring losses from operations and negative cash flows from operations. These conditions, among others, raise substantial doubt about the Company's ability to continue as a going concern. Management's plans concerning these matters are also described in Note 3 to the consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Raul Carrega, CPA

Newport Beach, California
October 5, 2018



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors
Premier Holding Corporation

We have audited the accompanying consolidated balance sheet of Premier Holding Corporation (the "Company") as of December 31, 2016 and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the year then ended. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement. The Company was not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Company's internal control over financial reporting. Accordingly, we express no such opinion. Our audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. Our audits also include assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2016 and the consolidated results of their operations, and their cash flows for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 3, the Company has recurring losses from operations and negative cash flows from operations. These conditions, among others, raise substantial doubt about the Company's ability to continue as a going concern. Management's plans concerning these matters are also described in Note 3 to the consolidated financial statements. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

/s/ Anton & Chia, LLP

Newport Beach, California
March 31, 2017

**PREMIER HOLDING CORPORATION
CONSOLIDATED BALANCE SHEETS**

	December 31, 2017	December 31, 2016
<u>ASSETS</u>		
CURRENT ASSETS:		
Cash	\$ 570,527	\$ 1,811,503
Accounts receivable, net	480,304	458,140
Prepaid expenses	244,454	148,774
Inventory	5,871	20,546
Related party receivable - managing director	52,429	67,879
Total current assets	1,353,585	2,506,842
Equipment, net	122,257	168,647
Goodwill	-	4,000,000
Intangible asset, net	125,000	188,652
Total assets	\$ 1,600,842	\$ 6,864,141
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
CURRENT LIABILITIES:		
Accounts payable and accrued liabilities	\$ 433,842	\$ 404,545
Accounts payable - related party	201,156	121,967
Convertible note, net	1,307,758	1,252,887
Notes payable	115,386	143,557
Derivative liability	226,000	918,000
Total liabilities	2,284,142	2,840,956
COMMITMENTS AND CONTINGENCIES (Note 8)		
STOCKHOLDERS' EQUITY:		
Preferred stock - undesignated, \$0.0001 par value, 42,750,000 shares authorized; none issued and outstanding as of December 31, 2017 and December 31, 2016, respectively	-	-
Series A Preferred stock, \$0.0001 par value, 7,000,000 shares authorized; 200,000 issued and outstanding as of December 31, 2017 and December 31, 2016, respectively	20	20
Series B Preferred stock, \$0.0001 par value, 250,000 shares authorized; 250,000 issued and outstanding as of December 31, 2017 and December 31, 2016, respectively	25	25
Common stock, \$0.0001 par value, 1,400,000,000 shares authorized; 457,541,710 and 358,840,221 shares issued and outstanding as of December 31, 2017 and 2016, respectively	45,754	35,884
Common stock to be issued	14,000	4,000
Treasury stock	(869,000)	(869,000)
Additional paid-in capital	40,588,176	34,708,657
Accumulated deficit	(39,918,531)	(29,392,022)
Total Premier Holding Corporation stockholders' equity	(139,556)	4,487,564
Non-controlling interest	(543,744)	(464,379)
Total stockholders' equity	(683,300)	4,023,185
Total liabilities and stockholders' equity	\$ 1,600,842	\$ 6,864,141

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

PREMIER HOLDING CORPORATION
CONSOLIDATED STATEMENTS OF OPERATIONS

	For the Year Ended December 31,	
	2017	2016
REVENUE:		
TPC commission revenue	\$ 2,693,430	\$ 4,300,663
Product revenue	10,253	491,808
Total revenue	<u>2,703,683</u>	<u>4,792,471</u>
COST OF REVENUE	<u>27,070</u>	<u>418,913</u>
GROSS PROFIT	<u>2,676,613</u>	<u>4,373,558</u>
OPERATING EXPENSES:		
Selling, general and administrative	9,317,021	8,950,103
Impairment loss - goodwill	4,000,000	-
Total operating expenses	<u>13,317,021</u>	<u>8,950,103</u>
OPERATING LOSS	<u>(10,640,408)</u>	<u>(4,576,545)</u>
OTHER INCOME (EXPENSE):		
Interest expense	(657,466)	(1,934,976)
Gain on change in fair value of derivative liability	692,000	827,000
Total other expense, net	<u>34,534</u>	<u>(1,107,976)</u>
LOSS BEFORE INCOME TAXES AND NON-CONTROLLING INTEREST	<u>(10,605,874)</u>	<u>(5,684,521)</u>
Income taxes	-	-
LOSS BEFORE NON-CONTROLLING INTEREST	<u>(10,605,874)</u>	<u>(5,684,521)</u>
NET LOSS	<u>\$ (10,605,874)</u>	<u>\$ (5,684,521)</u>
NET LOSS ATTRIBUTABLE TO NON-CONTROLLING INTEREST	<u>\$ 79,365</u>	<u>\$ 88,517</u>
NET LOSS ATTRIBUTABLE TO PREMIER HOLDING CORPORATION	<u>\$ (10,526,509)</u>	<u>\$ (5,596,004)</u>
Net loss Attributable to Premier Holding Corporation per share - basic and diluted	<u>\$ (0.03)</u>	<u>\$ (0.02)</u>
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - Basic and diluted	<u>407,931,095</u>	<u>257,985,211</u>

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

PREMIER HOLDING CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT

	Series A Preferred Stock		Series B Preferred Stock		Common Stock		Additional Paid-in Capital
	Shares	Amount	Shares	Amount	Shares	Amount	
Balance December 31, 2015	<u>200,000</u>	<u>\$ 20</u>	<u>250,000</u>	<u>\$ 25</u>	<u>204,400,850</u>	<u>\$ 20,440</u>	<u>\$ 26,108,346</u>
Common stock issued for cash					106,948,320	10,695	5,475,713
Common stock issued for convertible notes					32,562,500	3,256	1,299,244
Common stock issued for services					15,942,858	1,594	1,025,855
Cancellation of common stock					(1,014,307)	(101)	101
Warrants issued with convertible notes payable							70,398
Resolution of derivative liabilities to due debt conversions							729,000
Minority Interest in Subsidiary							
Net Loss attributable to Premier							
Balance December 31, 2016	<u>200,000</u>	<u>\$ 20</u>	<u>250,000</u>	<u>\$ 25</u>	<u>358,840,221</u>	<u>\$ 35,884</u>	<u>\$ 34,708,657</u>
Common stock issued for cash					53,485,394	5,348	2,198,666
Common stock issued for convertible notes					8,087,500	809	322,691
Common stock issued for services					41,178,595	4,118	2,549,401
Cancellation of common stock					(4,050,000)	(405)	405
Warrants issued for services							808,356
Common Stock to be issued					-	-	
Minority Interest in Subsidiary							
Net Loss attributable to Premier							
Balance December 31, 2017	<u>200,000</u>	<u>\$ 20</u>	<u>250,000</u>	<u>\$ 25</u>	<u>457,541,710</u>	<u>45,754</u>	<u>40,588,176</u>

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

PREMIER HOLDING CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' DEFICIT (CONTINUED)

	Common Stock Payable	Common Stock Subscription Payable	Non-Controlling Interest in Subsidiary	Treasury Stock	Accumulated Deficit	Total
Balance December 31, 2015	\$ 4,000	\$ -	\$ (375,862)	\$ (869,000)	\$ (23,796,018)	1,091,951
Common stock issued for cash						5,486,408
Common stock issued for convertible notes						1,302,500
Common stock issued for services						1,027,449
Cancellation of common stock	-		-			-
Warrants issued with convertible notes payable						70,398
Resolution of derivative liabilities to due debt conversions						729,000
Minority Interest in Subsidiary			(88,517)			(88,517)
Net Loss attributable to Premier					(5,596,004)	(5,596,004)
Balance December 31, 2016	\$ 4,000	\$ -	\$ (464,379)	\$ (869,000)	\$ (29,392,022)	4,023,185
Common stock issued for cash						2,204,014
Common stock issued for convertible notes						323,500
Common stock issued for services						2,553,519
Cancellation of common stock	-		-			-
Warrants issued for services						808,356
Common Stock to be issued	10,000		-			10,000
Minority Interest in Subsidiary			(79,365)			(79,365)
Net Loss attributable to Premier					(10,526,509)	(10,526,509)
Balance December 31, 2017	14,000	-	(543,744)	(869,000)	(39,918,531)	(683,300)

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

PREMIER HOLDING CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (10,605,874)	\$ (5,684,521)
Adjustments to reconcile net loss to net cash used in operating activities:		
Loss from discontinued operations	-	-
Shares based payments issued for services	2,553,519	1,027,449
Impairment loss - goodwill	4,000,000	-
Impairment loss - intangibles	-	-
Gain on change in fair value of derivative liability	(692,000)	(827,000)
Change in fair value of contingent liability	-	-
Warrants and options issued for services	808,356	-
Depreciation and amortization expense	48,053	42,797
Amortization of debt discounts	378,371	1,540,303
Loss (gain) on extinguishment of debt	-	-
Changes in operating assets and liabilities:		
Accounts receivable	(22,164)	(13,297)
Prepaid expenses	(95,680)	(46,356)
Inventory	14,675	61,987
Accounts payable and accrued liabilities	92,949	(103,538)
Net cash used in operating activities	<u>(3,519,795)</u>	<u>(4,002,176)</u>
CASH USED IN INVESTING ACTIVITIES:		
Purchase of equipment	(1,663)	(76,699)
Purchase of subsidiary - AIC, LLC	-	(188,652)
Net cash used in investing activities	<u>(1,663)</u>	<u>(265,351)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net advances to related party	94,639	(116,993)
Payments for notes payable	(28,171)	44,889
Proceeds from common stock payable	10,000	-
Proceeds from sale of common stock	2,204,014	5,486,408
Proceeds from convertible notes payable	-	295,000
Payment of lawsuit liability	-	(26,000)
Net cash provided by financing activities	<u>2,280,482</u>	<u>5,683,304</u>
NET CHANGE IN CASH	(1,240,976)	1,415,777
CASH AT BEGINNING OF PERIOD	1,811,503	395,726
CASH AT END OF PERIOD	<u>\$ 570,527</u>	<u>\$ 1,811,503</u>
SUPPLEMENTAL INFORMATION:		
Cash paid during the period for:		
Interest	\$ 269,915	\$ 422,102
Income taxes	\$ -	\$ -
Non-cash investing and financing activities:		
Debt discount due to warrants included with convertible notes	\$ -	\$ 70,398
Debt discount due to derivative liabilities	\$ -	\$ 546,000
Debt discount in excess of debt charged to interest expense	\$ -	\$ 444,000
Resolution of derivative liabilities to due debt conversions	\$ -	\$ 729,000
Common stock issued for conversion of debt	\$ 323,500	\$ 1,302,500
Common stock returned to treasury	\$ -	\$ 101

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

PREMIER HOLDING CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 - NATURE OF OPERATIONS

Premier Holding Corporation (the "Company") is an energy services holding company. The Company provides an array of energy services through its subsidiary companies, Efficiency Experts, Inc. ("E3") and The Power Company USA, LLC ("TPC"). The Company provides solutions that enable customers to reduce their energy consumption, lower their operating and maintenance costs, and realize environmental benefits. The Company's comprehensive set of services includes competitive electricity plans and upgrades to a facility's energy infrastructure.

The Company was organized under the laws of the State of Nevada on October 18, 1971 under the name of Mr. Nevada, Inc. On November 13, 2008, the Company filed a Certificate of Amendment to its Articles of Incorporation with the State of Nevada Secretary of State to change its name from OVM International Holding Corporation to Premier Holding Corporation. The Company is organized with a holding company structure such that the Company provides financial and management expertise, which includes access to capital, financing, legal, insurance, mergers, acquisitions, joint ventures and management strategies for its subsidiaries. Its common stock is quoted on the OTC Markets Group Inc., QB tier ("OTCQB"), under the symbol "PRHL".

In August of 2012, the Company acquired a unique marquee technology for energy efficient lighting, the E-Series controller developed by Active ES. This patented technology provides an upgrade for existing HID lamps for high-bay indoor and outdoor applications. In the fourth quarter of 2012, the Company performed additional research and development to the products from Active ES adding two new products for mass production, the 480-volt version of the controller, suitable for ports and other large facilities, and a 240-volt version of the LiteOwl for Streetlights, vastly increasing the applicable market.

In the first quarter of 2013, the Company acquired an 80% stake in The Power Company USA, LLC ("TPC"), a deregulated power broker in Illinois. By the end of that quarter, TPC had over 11,000 clients and was adding between 1,000 and 3,000 clients per month. By 2015 and 2016, TPC added an average of 3,000 clients per month, and the Company expects this to continue for the foreseeable future. Over 1,000 of these clients have commercial/industrial facilities such as small businesses, warehouses and distribution centers, which are candidates for E3.

As a result of our acquisitions, today the Company provides an array of energy services through E3 and TPC. In addition to organic growth, it expects that strategic acquisitions of complementary businesses and assets will remain an important part of its growth plan to enable it to broaden its service offerings and expand its geographical reach.

On May 6, 2016, the Company entered into a definitive agreement with WWCD, LLC, a company incorporated in the State of Illinois ("WWCD"), to acquire for \$125,000 all membership units, including all licenses and contracts held, of American Illuminating Company, LLC, a Connecticut limited liability company ("AIC"), a company owned by WWCD. AIC is a FERC-licensed supplier of deregulated energy. Consummation of the acquisition of AIC is subject to FERC approval, which was granted in February 2017. After final notifications and filings with regulatory agencies are complete, AIC is expected to begin supplying power immediately to the Company's customers, will recruit additional resellers of deregulated power and provide them with its sales tools to streamline sales efforts, enforce compliance, and increase productivity. The Company has reflected the \$125,000 payment as an intangible asset on the balance sheet as of December 31, 2017.

NOTE 2 - BASIS OF PRESENTATION AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

Principles of Consolidation

The consolidated financial statements include the accounts of Premier Holding Corporation, E3, TPC and AIC as of and for the years ended December 31, 2017 and 2016. All significant intercompany transactions have been eliminated in consolidation.

Use of Estimates

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

Significant estimates made in connection with the accompanying consolidated financial statements include the estimate of doubtful accounts receivable, valuation of stock-based compensation, valuation of derivative liabilities, fair values in connection with the analysis of goodwill and long-lived assets for impairment, valuation allowances against net deferred tax assets and estimated useful lives for intangible assets and property and equipment.

Revenue Recognition and Cost of Sales

E3 offers energy efficiency products and services to commercial middle market companies, as well as residential customers. In accordance with the requirements of *ASC 605 Revenue Recognition* the Company recognizes revenue when (1) persuasive evidence of an arrangement exists (contracts); (2) delivery has occurred; and (3) collectability is reasonably assured (based upon its credit policy). When consultations are provided to customers, the revenue is recognized at the completion of the service when collectability is reasonably assured. For products sold to customers, revenue is recognized when title has passed to the customer and collectability is reasonably assured and no further efforts are required. For sales related to Southern California Edison rebate program, the company is authorized and pre-approved to submit rebates on behalf of its clients. Upon product delivery, only sales tax is collected from the customer directly, and the total amount of the revenue becomes collectable through submission of rebate application to Southern California Edison, and then the rebate is assigned and delivered directly to the Company. Therefore, revenue is recognized when the product is delivered and rebate application is submitted to Southern California Edison.

TPC offers deregulated power and energy efficiency products and services to commercial middle market companies, as well as residential customers. In accordance with the requirements of *ASC 605 Revenue Recognition*, the Company recognizes revenue when (1) persuasive evidence of an arrangement exists (contracts); (2) delivery has occurred; (3) the seller's price is fixed or determinable (per the customer's contract); and/or (4) collectability is reasonably assured (based upon its credit policy). When consultations are provided to customers, the revenue is recognized at the completion of the service when collectability is reasonably assured. For products sold to customers, revenue is recognized when title has passed to the customer and collectability is reasonably assured and no further efforts are required. For residential service contracts, the commission revenue is recognized when the contract is signed and payment is received. For commercial service contracts, the commission revenue is recognized when the contract is signed and the performance is completed, with an appropriate allowance for estimated cancellation.

Cash

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. As of December 31, 2017 and 2016, the Company does not have any cash equivalents.

Accounts Receivable

All accounts receivable are due thirty (30) days from the date billed. If the funds are not received within thirty (30) days, the customer is contacted for payment. The Company uses the allowance method to account for uncollectable accounts receivable. As of December 31, 2017, and 2016, the balance of allowance for bad debts was \$55,000 and \$100,000, respectively.

Inventory

Inventory is stated at the lower of cost or market. At December 31, 2017, inventory consists of raw materials.

Equipment

Equipment consists of a vehicles and computer equipment and is recorded at cost less accumulated depreciation. The Company's equipment is amortized on a straight-line basis over its estimated life, generally three to five years.

Non-controlling Interest

Non-controlling interests in TPC is recorded as a component of our equity, separate from the parent's equity. Purchase or sales of equity interests that do not result in a change of control are accounted for as equity transactions. Results of operations attributable to the non-controlling interest are included in our consolidated results of operations and, upon loss of control, the interest sold, as well as interest retained, if any, will be reported at fair value with any gain or loss recognized in earnings. The Company maintains an 80% limited interest in TPC and the remaining 20% non-controlling interest is held by TPC's members.

Net Loss Per Share of Common Stock

The Company has adopted *ASC Topic 260 Earnings per Share*, which provides for calculation of "basic" and "diluted" earnings (loss) per share. Basic earnings (loss) per share includes no dilution and is computed by dividing net income (loss) available to common shareholders by the weighted average common shares outstanding for the period. Diluted earnings (loss) per share reflect the potential dilution of securities that could share in the earnings of an entity similar to fully diluted earnings (loss) per share. The Company excludes equity instruments from the calculation of diluted earnings per share if the effect of including such instruments is anti-dilutive. As of December 31, 2017, the Company has 1,650,000 stock options outstanding and 147,499,487 warrants outstanding. As of December 31, 2016, the Company has 1,650,000 stock options outstanding and 227,271,136 warrants outstanding.

As of December 31, 2017 and 2016, the Company had 450,000 and 450,000 shares of Preferred Stock outstanding, respectively. Net convertible debt as of December 31, 2017 and 2016 was \$1,307,758 and \$1,252,887, respectively, and is convertible between three months to one year from the original loan agreement date.

Income Taxes

Deferred income tax is provided for differences between the bases of assets and liabilities for financial and income tax reporting. A deferred tax asset, subject to a valuation allowance, is recognized for estimated future tax benefits of tax-basis operating losses being carried forward. Income taxes are provided based upon the liability method of accounting pursuant to the *ASC Topic 740 Income Taxes*. Under this approach, deferred income taxes are recorded to reflect the tax consequences in future years of differences between the tax basis of assets and liabilities and their financial reporting amounts at each year-end. A valuation allowance is recorded against the deferred tax asset if management does not believe the Company has met the "more likely than not" standard to allow recognition of such an asset.

Stock-Based Compensation

We periodically issue stock options and warrants to employees and non-employees in non-capital raising transactions for services and for financing costs. We account for stock option and warrant grants issued and vesting to employees based on *ASC 718 Compensation—Stock Compensation*, where the award is measured at its fair value at the date of grant and is amortized ratably over the service period. We account for stock option and warrant grants issued and vesting to non-employees in accordance with *ASC 505 Equity*, where the value of the stock compensation is based upon the measurement date as determined at either (a) the date at which a performance commitment is reached, or (b) at the date at which the necessary performance to earn the equity instruments is complete.

Fair Value Measurements

On January 1, 2011, the Company adopted guidance which defines fair value, establishes a framework for using fair value to measure financial assets and liabilities on a recurring basis, and expands disclosures about fair value measurements. Beginning on January 1, 2011, the Company also applied the guidance to non-financial assets and liabilities measured at fair value on a non-recurring basis, which includes goodwill and intangible assets. The guidance establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability developed based on market data obtained from sources independent sources. Unobservable inputs are inputs that reflect Premier's assumptions of what market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of the inputs as follows:

Level 1 - Valuation is based upon unadjusted quoted market prices for identical assets or liabilities in accessible active markets.

Level 2 - Valuation is based upon quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; or valuations based on models where the significant inputs are observable in the market.

Level 3 - Valuation is based on models where significant inputs are not observable. The unobservable inputs reflect a company's own assumptions about the inputs that market participants would use.

The Company's financial instruments consist of cash, accounts receivable, notes receivable, accounts payable, notes payable, accrued liabilities and derivative liabilities. The estimated fair value of cash, accounts receivable, notes receivable, accounts payable, notes payable and accrued liabilities approximate their carrying amounts due to the short-term nature of these instruments.

Certain non-financial assets are measured at fair value on a nonrecurring basis. Accordingly, these assets are not measured and adjusted to fair value on an ongoing basis but are subject to periodic impairment tests. These items primarily include long-lived assets, goodwill and other intangible assets.

Our derivative liabilities have been valued as Level 3 instruments.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fair value of convertible note derivative liability - December 31, 2016	\$ —	\$ —	\$ 918,000	\$ 918,000

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Fair value of convertible note derivative liability – December 31, 2017	\$ —	\$ —	\$ 226,000	\$ 226,000

Goodwill

The Company periodically reviews the carrying value of intangible assets not subject to amortization, including goodwill, to determine whether impairment may exist. Goodwill and certain intangible assets are assessed annually, or when certain triggering events occur, for impairment using fair value measurement techniques. These events could include a significant change in the business climate, legal factors, a decline in operating performance, competition, sale or disposition of a significant portion of the business, or other factors. Specifically, a goodwill impairment test is used to identify potential impairment by comparing the fair value of a reporting unit with its carrying amount, including goodwill. The Company uses level 3 inputs and a discounted cash flow methodology, along to estimate the fair value of a reporting unit. A discounted cash flow analysis requires one to make various judgmental assumptions including assumptions about future cash flows, growth rates, and discount rates. The assumptions about future cash flows and growth rates are based on the Company's budget and long-term plans. Discount rate assumptions are based on an assessment of the risk inherent in the respective reporting units.

The Company used a blend of the discounted cash flow method and the guideline company transactions method for the impairment testing as of September 30, 2017. The Company performed discounted cash flow analysis projected over 5 years to estimate the fair value of the reporting unit, using management's best judgement as to revenue growth rates and expense projections. This analysis indicated cash flows (and discounted cash flows) less than the \$4 million book value of goodwill. This analysis factored the recent reduction in residential revenue at TPC, which was due primarily to the sales agent attrition of approximately 25% of the door-to-door sales force. The average number of agents in the field fell from 80 in September of 2016 to 60 in September 2017. The drop in the number of agents was due primarily to an outside sales organization who recruited these agents. Since then, TPC has settled a suit that TPC initiated against this firm in which, along with a monetary penalty, the firm agreed to not solicit TPC agents in the future. TPC is actively recruiting to replace this sales force. Also, sales were impacted due to the transitioning of resources to call center and online residential sales in preparation for transitioning to selling our own alternative supplier. The Company determined these were indicators of impairment in goodwill for TPC during the three months ended September 30, 2017 and impaired the goodwill by \$2,085,000.

The Company performed this analysis as of December 31, 2017 and determined that the goodwill should be further impaired by the remaining \$1,915,000.

Concentrations of Credit Risk

The Company maintains deposits in a financial institution which is insured by the Federal Deposit Insurance Corporation ("FDIC"). At various times, the Company has deposits in this financial institution in excess of the amount insured by the FDIC. The Company has not experienced any losses related to these balances and believes its credit risk to be minimal.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation. Such reclassifications had no impact on previously reported net loss.

Recently Issued Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update No. 2014-09, "Revenue from Contracts with Customers" (ASU 2014-09), which supersedes nearly all existing revenue recognition guidance under U.S. GAAP. The core principle of ASU 2014-09 is to recognize revenues when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled for those goods or services. ASU 2014-09 defines a five-step process to achieve this core principle and, in doing so, more judgment and estimates may be required within the revenue recognition process than are required under existing U.S. GAAP. The standard is effective for annual periods beginning after December 15, 2016, and interim periods therein, using either of the following transition methods: (i) a full retrospective approach reflecting the application of the standard in each prior reporting period with the option to elect certain practical expedients, or (ii) a retrospective approach with the cumulative effect of initially adopting ASU 2014-09 recognized at the date of adoption (which includes additional footnote disclosures). Early adoption is not permitted. The Company adopted the standard beginning January 1, 2017.

In August 2014, the FASB issued ASU No. 2014-15, "Presentation of Financial Statements— Going Concern (Subtopic 205-40), Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern". Continuation of a reporting entity as a going concern is presumed as the basis for preparing financial statements unless and until the entity's liquidation becomes imminent. Preparation of financial statements under this presumption is commonly referred to as the going concern basis of accounting. Currently, there is no guidance under U.S. GAAP about management's responsibility to evaluate whether there is substantial doubt about an entity's ability to continue as a going concern or to provide related footnote disclosures. The amendments in this Update provide that guidance. In doing so, the amendments should reduce diversity in the timing and content of footnote disclosures. The amendments require management to assess an entity's ability to continue as a going concern by incorporating and expanding upon certain principles that are currently in U.S. auditing standards. Specifically, the amendments (1) provide a definition of the term substantial doubt, (2) require an evaluation every reporting period including interim periods, (3) provide principles for considering the mitigating effect of management's plans, (4) require certain disclosures when substantial doubt is alleviated as a result of consideration of management's plans, (5) require an express statement and other disclosures when substantial doubt is not alleviated, and (6) require an assessment for a period of one year after the date that the financial statements are issued (or available to be issued). For the period ended December 31, 2017, management evaluated the Company's ability to continue as a going concern and concluded that substantial doubt has not been alleviated about the Company's ability to continue as a going concern. While the Company continues to explore further significant sources of financing, management's assessment was based on the uncertainty related to the amount and nature of such financing over the next twelve months. Management is currently evaluating the impact of ASU No. 2014-15 on its consolidated financial statements.

In July 2015, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update No. 2015-11 (ASU 2015-11), Simplifying the Measurement of Inventory. According to ASU 2015-11, an entity should measure inventory within the scope of this update at the lower of cost and net realizable value. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation. Subsequent measurement is unchanged for inventory measured using LIFO or the retail inventory method. The amendments in ASU 2015-11 more closely align the measurement of inventory in GAAP with the measurement of inventory in International Financial Reporting Standards (IFRS). The Board has amended some of the other guidance in Topic 330 to more clearly articulate the requirements for the measurement and disclosure of inventory. However, the Board does not intend for those clarifications to result in any changes in practice. Other than the change in the subsequent measurement guidance from the lower of cost or market to the lower of cost and net realizable value for inventory within the scope of ASU 2015-11, there are no other substantive changes to the guidance on measurement of inventory. For public business entities, the amendments in ASU 2015-11 are effective for fiscal years beginning after December 15, 2016, including interim periods within those fiscal years. The amendments in ASU 2015-11 should be applied prospectively with earlier application permitted as of the beginning of an interim or annual reporting period. The Company elected to early adopt the above. The adoption doesn’t have a significant impact on the Company’s consolidated financial position or results of operations.

In January 2016, the FASB issued ASU 2016-01, Financial Instruments – Overall: Recognition and Measurement of Financial Assets and Financial Liabilities. The pronouncement requires equity investments (except those accounted for under the equity method of accounting, or those that result in consolidation of the investee) to be measured at fair value with changes in fair value recognized in net income. ASU 2016-01 requires public business entities to use the exit price notion when measuring the fair value of financial instruments for disclosure purposes, requires separate presentation of financial assets and financial liabilities by measurement category and form of financial asset, and eliminates the requirement for public business entities to disclose the method(s) and significant assumptions used to estimate the fair value that is required to be disclosed for financial instruments measured at amortized cost. These changes become effective for the Company’s fiscal year beginning January 1, 2018. The expected adoption method of ASU 2016-01 is being evaluated by the Company and the adoption is not expected to have a significant impact on the Company’s consolidated financial position or results of operations.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), which supersedes the existing guidance for lease accounting, Leases (Topic 840). ASU 2016-02 requires lessees to recognize leases on their balance sheets, and leaves lessor accounting largely unchanged. The amendments in this ASU are effective for fiscal years beginning after December 15, 2018 and interim periods within those fiscal years. Early application is permitted for all entities. ASU 2016-02 requires a modified retrospective approach for all leases existing at, or entered into after, the date of initial application, with an option to elect to use certain transition relief. The Company is currently evaluating the impact of this new standard on its consolidated financial statements.

In January 2017, the FASB issued Accounting Standards Update No. 2017-04, “Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment”. Under the amendments, an entity should perform its annual or interim goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An entity should recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit’s fair value, but the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. The FASB also eliminated the requirements for any reporting unit with a zero or negative carrying amount to perform a qualitative assessment, and if it fails that qualitative test, to perform Step 2 of the goodwill impairment test. The same impairment test will therefore apply to all reporting units, and an entity will be required to disclose the amount of goodwill allocated to each reporting unit with a zero or negative carrying amount of net assets. SEC filers are required to adopt the new standard for annual or any interim goodwill impairment tests in fiscal years beginning after Dec. 15, 2019. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates on or after Jan. 1, 2017. The Company elected to early adopt this new standard effective September 30, 2017.

NOTE 3 – GOING CONCERN AND MANAGEMENT’S LIQUIDITY PLANS

As of December 31, 2017, the Company had an accumulated deficit of approximately \$40 million. During the years ended December 31, 2017 and 2016, the Company incurred operating losses of \$10,640,408 and \$4,576,545, respectively, and used cash in operating activities of \$3,519,795 and \$4,002,176, respectively. These conditions raise substantial doubt about the Company’s ability to continue as a going concern. The Company recognizes it will need to raise additional capital in order to fund operations, meet its payment obligations and execute its business plan. There is no assurance that additional financing will be available when needed or that management will be able to obtain financing on terms acceptable to the Company and whether the Company will generate revenues, become profitable and generate positive operating cash flow. If the Company is unable to raise sufficient additional funds on favorable terms, it will have to develop and implement a plan to further extend payables and to raise capital through the issuance of debt or equity on less favorable terms until sufficient additional capital is raised to support further operations. There can be no assurance that such a plan will be successful. If the Company is unable to obtain financing on a timely basis, the Company could be forced to sell its assets, discontinue its operations and/or pursue other strategic avenues to commercialize its technology.

Accordingly, the accompanying consolidated financial statements have been prepared in conformity with U.S. GAAP, which contemplates continuation of the Company as a going concern and the realization of assets and the satisfaction of liabilities in the normal course of business. The carrying amounts of assets and liabilities presented in the consolidated financial statements do not necessarily represent realizable or settlement values. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 4 – ACQUISITIONS & GOODWILL

The following table presents details of the Company's Goodwill as of December 31, 2017 and 2016:

	The Power Company USA, LLC
Balances at January 1, 2016:	\$ 4,000,000
Aggregate goodwill acquired	–
Impairment losses	–
Balances at December 31, 2016:	\$ 4,000,000
Aggregate goodwill acquired	–
Impairment losses	(4,000,000)
Balances at December 31, 2017:	\$ –

The Power Company USA, LLC Share Exchange

On February 28, 2013, the Company acquired 80% of the outstanding membership units of TPC, a deregulated power broker in Illinois for thirty million 30,000,000 shares of Premier's common stock valued at \$4,500,000. The total purchase price for TPC was allocated as follows:

Goodwill	\$ 4,500,000
Total assets acquired	4,500,000
The purchase price consists of the following:	
Common Stock	4,500,000
Total purchase price	\$ 4,500,000

The total amount of goodwill that is expected to be deductible for tax purposes is \$4,500,000 and is amortized over 15 years. The total amortization expense for tax purposes for the year ended December 31, 2017 is \$300,000.

The Company periodically reviews the carrying value of intangible assets not subject to amortization, including goodwill, to determine whether impairment may exist. Goodwill and certain intangible assets are assessed annually, or when certain triggering events occur, for impairment using fair value measurement techniques. These events could include a significant change in the business climate, legal factors, a decline in operating performance, competition, sale or disposition of a significant portion of the business, or other factors. Specifically, a goodwill impairment test is used to identify potential impairment by comparing the fair value of a reporting unit with its carrying amount, including goodwill. The Company uses level 3 inputs and a discounted cash flow methodology, along to estimate the fair value of a reporting unit. A discounted cash flow analysis requires one to make various judgmental assumptions including assumptions about future cash flows, growth rates, and discount rates. The assumptions about future cash flows and growth rates are based on the Company's budget and long-term plans. Discount rate assumptions are based on an assessment of the risk inherent in the respective reporting units.

The Company used a blend of the discounted cash flow method and the guideline company transactions method for the impairment testing as of September 30, 2017. The Company performed discounted cash flow analysis projected over 5 years to estimate the fair value of the reporting unit, using management's best judgement as to revenue growth rates and expense projections. This analysis indicated cash flows (and discounted cash flows) less than the \$4 million book value of goodwill. This analysis factored the recent reduction in residential revenue at TPC, which was due primarily to the sales agent attrition of approximately 25% of the door-to-door sales force. The average number of agents in the field fell from 80 in September of 2016 to 60 in September 2017. The drop in the number of agents was due primarily to an outside sales organization who recruited these agents. Since then, TPC has settled a suit that TPC initiated against this firm in which, along with a monetary penalty, the firm agreed to not solicit TPC agents in the future. TPC is actively recruiting to replace this sales force. Also, sales were impacted due to the transitioning of resources to call center and online residential sales in preparation for transitioning to selling our own alternative supplier. The Company determined these were indicators of impairment in goodwill for TPC during the year ended December 31, 2017 and impaired the goodwill by \$2,085,000.

The Company performed this analysis as of December 31, 2017 and determined that the goodwill should be further impaired by the remaining \$1,915,000.

NOTE 5 – CONVERTIBLE NOTES PAYABLE

Between July 15, 2014 and December 21, 2015, the Company entered into convertible notes with third-parties for use as operating capital for a total of \$1,358,500. The convertible notes payable agreements require the Company to repay the principal, together with 10 - 18% annual interest by the agreements' expiration dates ranging between July 15, 2019 and August 6, 2020. The notes are secured by assets of the Company and mature five years from the issuance date and automatically convert into share of common stock at a conversion price of 80% of the closing market price on the last day of the month upon which the maturity date fall, unless an election is made for repayment in cash. One year from the contract date, the holders may elect to convert the note in whole or in part into shares of common stock at a conversion price of 80% of the average closing market price over the prior 30 days of trading. During the year ended December 31, 2017, a total of \$12,000 of these notes were converted into shares of common stock, with a total of \$815,000 of these notes remaining as of December 31, 2017.

The Company analyzed the conversion option of the notes for derivative accounting consideration under ASC 815-15, Derivatives and Hedging and determined that the instrument should be classified as a liability once the conversion option becomes effective after one year due to there being no explicit limit to the number of shares to be delivered upon settlement of the above conversion options for the notes issued (see Note 7).

Between March 9, 2015 and May 11, 2016, the Company entered into convertible notes with third parties for use as operating capital for a total of \$2,074,800. The convertible notes payable agreements require the Company to repay the principal, together with 12% annual interest by the agreements' expiration dates ranging between March 9, 2017 and May 11, 2019. The notes are secured by assets of the Company and mature three years from the issuance date. Six months from the contract date, the holders may elect to convert the note in whole or in part into shares of common stock at \$0.15. Two warrants were issued with each note including (1) a warrant to purchase an amount of equal to 50% of face value of the note at an exercise price \$0.15 for a period of three years following the note issuance date and (2) a warrant to purchase an amount of equal to 83.33% of face value of the note at an exercise price \$0.25 for a period of three years following the note issuance date. The Company recorded an aggregate debt discount of \$686,536 for the fair value of these warrants through December 31, 2017, which is being amortized over the term of the notes, and is included in convertible notes on the Company's balance sheet at an unamortized remaining balance of \$62,919. The total debt discount recorded during the year ended December 31, 2017 and 2016 was \$0 and \$70,398, respectively. Interest expense related to the amortization of this debt discount for the years ended December 31, 2017 and 2016 was \$132,202 and \$196,262, respectively. During the year ended December 31, 2017, a total of \$311,500 of these notes were converted into shares of common stock, with a total of \$992,300 of these notes remaining as of December 31, 2017.

During the year ended December 31, 2017, the total of all notes converted was \$323,500, with the holders receiving an aggregate of 8,087,500 shares of common stock.

During the years ended December 31, 2017 and 2016, the Company recorded interest expense of \$657,466 and \$1,934,976, respectively.

NOTE 6 – NOTES PAYABLE

The Company has various notes payable from the financing of vehicles with varying interest rates and maturity dates totaling \$115,386 and \$143,557 as of December 31, 2017 and 2016, respectively.

NOTE 7 – DERIVATIVE LIABILITY

The embedded conversion feature in the convertible debt instruments (the “Notes”) that the Company issued beginning in July 2014 (See Note 4), and became convertible beginning in July 2015, qualified it as a derivative instrument since the number of shares issuable under the note is indeterminate based on guidance under ASC 815, *Derivatives and Hedging*. The conversion feature of these convertible promissory notes has been characterized as a derivative liability beginning in July 2015 to be re-measured at the end of every reporting period with the change in value reported in the statement of operations.

The valuation of the derivative liability attached to the convertible debt was determined by management using a binomial pricing model that values the derivative liability within the notes. Using the results from the model, the Company recorded a derivative liability of \$226,000 for the fair value of the convertible feature included in the Company’s convertible debt instruments as of December 31, 2017. The derivative liability recorded for the convertible feature created a debt discount of \$1,438,000, which is being amortized over the remaining term of the notes using the effective interest rate method and is included in convertible notes on the balance sheet. Interest expense related to the amortization of this debt discount for the year ended December 31, 2017, was \$204,624.

Key inputs and assumptions used to value the embedded conversion feature in the month the Notes became convertible were as follows:

- The average value of a share of Company stock in the month the Notes became convertible, the measurement date - ranging from \$0.051 - \$0.077 (per the over-the-counter market quotes);
- The average conversion price of all Notes issued in their month of issuance, with such conversion price determined based on 80% of the average over-the-counter market price for the 30 days preceding the one-year anniversary of all Notes in that month’s pool;
- The number of shares into which Notes in pool would convert - face amount of the Notes in that month’s pool divided by the average conversion price for Notes included in that month’s pool;
- Risk free rate - 2.5%;
- Dividend yield - 0.0%;
- Assumed annual volatility of Company stock ranging from 109.4% – 131.7%; and
- The Company would be unable to repay the notes within their term.

Additional key inputs and assumptions used to value the embedded conversion feature as of December 31, 2017:

- The value of a share of Company stock on December 31, 2017, the measurement date - \$0.0299 (per the over-the-counter market quotes);
- Conversion price - \$0.0274, based on 80% of the average quoted market price for the Company’s common stock for the 30-day period ended December 31, 2016; and
- Number of shares into which Notes would convert - face value of Notes divided by \$0.0274.

The following table summarizes the derivative liability included in the consolidated balance sheet:

Derivative liability as of December 31, 2016	\$	918,000
Change in fair value of derivative liability		(692,000)
Derivative on new loans		–
Reduction due to debt conversions		–
Derivative liability as of December 31, 2017	\$	<u>226,000</u>

NOTE 8 – STOCKHOLDERS' EQUITY

Preferred Stock

On June 3, 2013, the Company filed a Certificate of Amendment of Articles of Incorporation with the State of Nevada Secretary of State giving it the authority to issue 50,000,000 shares of preferred stock with a par value of \$0.0001 per share. As of December 31, 2016, there were 200,000 Series A Non-Voting Convertible Stock shares and 250,000 Series B Voting Convertible Preferred Stock shares issued and outstanding.

On March 31, 2014, the Board of Directors of the Company approved the creation of a Series A Non-Voting Convertible Preferred Stock (the "Series A Preferred Stock"). On April 1, 2014, the Company filed a Certificate of Designation for the Company's Series A Preferred Stock in Nevada of which the Company is authorized to issue up to 7,000,000 shares with a par value of \$0.0001 per share. In general, each share of Series A Preferred Stock has no voting or dividend rights, a stated value of \$1.00 per share (the "Stated Value"), and is convertible nine months after issuance into common stock at the conversion price equal to one-tenth (1/10) of the Stated Value, or at \$0.10 per common share.

On December 11, 2015, the Board of Directors of the Company approved the creation of the Corporation's Series B Voting Convertible Preferred Stock ("Series B Preferred Stock"). On December 16, 2015, the Corporation filed a Certificate of Designation for the Series B Preferred Stock in Nevada of which the Company is authorized to issue up to 250,000 shares with a par value of \$0.0001 per share. Holders of Series B Preferred Stock shall be entitled to 1,000 votes for each share of Series B Preferred Stock. Votes of shares of Series B Preferred Stock shall be added to votes of shares of common stock of the Company at any meeting of stockholders of the Company at which stockholders have the right to vote. Series B Preferred Stock shall have voting rights for a period of three years from the date of issuance. On the third anniversary of the issuance of shares of Series B Preferred Stock, each share of Series B Preferred Stock shall be converted into four shares of common stock without further action of the Board of Directors. Series B Preferred Stock shall have the same dividends per share and, except as provided above, the same powers, designations, preferences and relative rights, qualifications, limitations or restrictions as those of shares of Series A Preferred Stock of the Company.

Common Stock

On June 22, 2017, the Board of Directors of the Company approved, and recommended to the holders of a majority of the total voting power of all issued and outstanding voting capital of the Company (the "Majority Stockholders") that they approve an increase in the total number of authorized shares of the Company's common stock from 450,000,000 to 1,400,000,000. On June 23, 2017, the Company received written consent in lieu of a meeting from the Majority Stockholders, amending the Company's Certificate of Incorporation, as amended, to this increase in authorized shares. The Company filed the amendment with the State of Nevada on August 14, 2017.

During the year ended December 31, 2016, the Company entered into a series of stock purchase agreements with accredited investors for the sale of 106,948,320 shares of its common stock in amount of \$5,486,407. The Company issued 32,562,500 shares of common stock for the conversion of convertible notes totaling \$1,302,500. Additionally, approximately 1,000,000 shares of common stock were cancelled and returned to the treasury.

During the year ended December 31, 2017, the Company entered into a series of stock purchase agreements with accredited investors for the sale of 53,485,394 shares of its common stock in amount of \$2,204,014. The Company issued 8,087,500 shares of common stock for the conversion of convertible notes totaling \$323,500. Additionally, 4,050,000 shares of common stock were cancelled and returned to the treasury.

Unless otherwise set forth above, the securities described above were not registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state, and were offered and sold in reliance on the exemption from registration afforded by Section 4(a)(2) under the Securities Act and Regulation D promulgated thereunder and corresponding provisions of state securities laws, which exempt transactions by an issuer not involving any public offering.

During the year ended December 31, 2016, 15,942,858 shares of common stock were issued for consulting services valued at \$0.052 to \$0.077 per share, based upon the fair value of the common stock on the measurement date totaling \$1,027,450, which was recognized immediately as general and administrative expense.

During the year ended December 31, 2017, 41,178,595 shares of common stock were issued for consulting services valued at \$0.030 to \$0.074 per share, based upon the fair value of the common stock on the measurement date totaling \$2,553,519, which was recognized immediately as general and administrative expense.

Options for Common Stock

A summary of option activity as of December 31, 2017 is presented below:

	<u>Number Outstanding</u>	<u>Weighted-Average Exercise Price Per Share</u>	<u>Weighted- Average Remaining Contractual Life (Years)</u>	<u>Aggregate Intrinsic Value</u>
Outstanding at January 1, 2016	1,650,000	\$ 0.04	4.53	\$ —
Granted	—	—	—	—
Exercised	—	—	—	—
Canceled/forfeited/expired	—	—	—	—
Outstanding at December 31, 2016	<u>1,650,000</u>	<u>0.04</u>	<u>3.52</u>	<u>—</u>
Granted	—	—	—	—
Exercised	—	—	—	—
Canceled/forfeited/expired	—	—	—	—
Outstanding at December 31, 2017	<u>1,650,000</u>	<u>0.04</u>	<u>2.52</u>	<u>—</u>
Options vested and exercisable at December 31, 2017	<u>1,650,000</u>	<u>\$ 0.04</u>	<u>2.52</u>	<u>\$ —</u>

On June 30, 2014, the Board of Directors of the Company approved a new employment agreement with the Company's Chief Executive Officer, Randy Letcavage (the "Employment Agreement"). The Employment Agreement has a retroactive effective date of January 1, 2014 and replaces all prior agreements between the Company and Mr. Letcavage. The Employment Agreement provides for an annual base salary of \$240,000, a discretionary bonus of \$50,000 over each 12-month period, expense reimbursement, and a grant of stock options on 5,000,000 shares vesting over 2 years at an initial exercise price per share equal to \$.0025 per share. Stock options are vesting at the following rate:

- 1,000,000 (one million) shares of common stock on the Commencement Date;
- 1,000,000 (one million) shares of common stock on the sixth (6th) month anniversary of the Commencement Date;
- 1,000,000 (one million) shares of common stock on the first anniversary of the Commencement Date;
- 1,000,000 (one million) shares of common stock on the 18th month anniversary of the Commencement Date; and
- 1,000,000 (one million) shares of common stock on the second anniversary of the Commencement Date.

In addition, the Company agreed to indemnify Mr. Letcavage to the fullest extent permitted by law for claims related to Mr. Letcavage's role as an officer and director of the Company, or its subsidiaries. The Company recorded \$0 and \$0 as his stock-based compensation related to the stock options for the years ended December 31, 2017 and 2016, respectively. As of December 31, 2015, \$872,316 had been recorded as his stock-based compensation related to the stock options, with \$0 unrecognized cost related to the stock options remaining. On October 8, 2015, Mr. Letcavage exercised 4,000,000 options for common stock at an aggregate price of \$10,000, which was paid through the reduction of accounts payable owed Mr. Letcavage.

On December 31, 2014, the Board of Directors of the Company granted 150,000 stock options to each of its three board members with vesting immediately at an initial exercise price per share equal to \$.15 per share.

The Company valued the options using the Black-Scholes option pricing model with the following assumptions: dividend yield of zero, years to maturity of between 0.5 and 5 years, risk free rates of between 1.65 and 1.73 percent, and annualized volatility of between 108% and 217%.

Warrants for Common Stock

A summary of warrant activity as of December 31, 2017 is presented below:

	<u>Number Outstanding</u>	<u>Weighted- Average Exercise Price Per Share</u>	<u>Weighted- Average Remaining Contractual Life (Years)</u>	<u>Aggregate Intrinsic Value</u>
Outstanding at January 1, 2016	12,428,629	\$ 0.194	2.58	\$ —
Granted	219,802,470	0.086	1.44	—
Exercised	—	—	—	—
Canceled/forfeited/expired	(4,959,963)	1.94	1.66	—
Warrants vested and exercisable at December 31, 2016	<u>227,271,136</u>	<u>0.089</u>	<u>1.44</u>	<u>—</u>
Granted	78,395,012	0.080	0.51	—
Exercised	—	—	—	—
Canceled/forfeited/expired	(158,166,661)	0.085	—	—
Outstanding at December 31, 2017	<u>172,769,487</u>	<u>\$ 0.089</u>	<u>1.50</u>	<u>\$ —</u>
Warrants vested and exercisable at December 31, 2017	<u>172,769,487</u>	<u>\$ 0.089</u>	<u>1.50</u>	<u>\$ —</u>

During the year ended December 31, 2016, the Company issued 1,966,650 warrants included with certain convertible notes payable (see Note 4) with a value of \$70,397. The Company valued the warrants using the Black-Scholes option-pricing model with the following assumptions: dividend yield of zero, years to maturity of 3 years, risk free rates of between 0.85 and 1.31 percent, and annualized volatility of between 124% and 130%.

During the year ended December 31, 2016, the Company issued 217,835,820 warrants included with certain stock purchases from accredited investors, with exercise prices ranging from \$0.07 to \$0.10, and expiration dates ranging from 7 months to 5 years. There was no expense resulting from these warrants.

During the year ended December 31, 2017, the Company issued 49,850,252 warrants included with certain stock purchases from accredited investors, with exercise prices ranging from \$0.07 to \$0.10, and expiration dates ranging from 7 months to 5 years. There was no expense resulting from these warrants.

During the year ended December 31, 2017, the Company issued 28,544,760 warrants to consultants for services, with exercise prices ranging from \$0.07 to \$0.10, and an expiration date of one year. The Company recorded expense of \$808,356 related to these warrants which is included in selling, general and administrative expense for the year ended December 31, 2017.

NOTE 9 – RELATED PARTY TRANSACTIONS

During the year ended December 31, 2017 and 2016, Mr. Letcavage (directly or through related entities) recorded \$424,880 (including \$55,440 for amounts due for prior years and accrued and unpaid amount of \$59,369 as of December 31, 2017) and \$292,000, respectively as compensation for his role as our CEO and CFO in accordance with his Employment Agreement dated January 1, 2014. The following tables outline the related parties associated with the Company and amounts due for each period indicated.

Name of Related Party	Relationship with the Company
iCapital Advisory	Consultant company owned by the CEO of the Company
Jamp Promotion	Company owned by Patrick Farah, a managing director of TPC
Mason Ventures and Sebo Services	Companies owned by Shadie Kalkas, a managing director of TPC

	December 31, 2017	December 31, 2016
iCapital Advisory – Consulting fees and expenses	\$ 110,656	\$ 31,467
Jamp Promotion – Commissions	90,500	90,500
Mason Ventures and Sebo Services – Loans	–	–
	<u>\$ 201,156</u>	<u>\$ 121,967</u>
Related party receivable - Mason Ventures and Sebo Services	<u>\$ 52,429</u>	<u>67,879</u>

During the year ended December 31, 2017, the Company received loans from Mason Ventures of approximately \$15,450 and repaid \$0. During the year ended December 31, 2016, we received loans from Mason Ventures of approximately \$710,453 and repaid approximately \$783,370. The loans are unsecured and non-interest bearing.

Additionally, we have also reviewed the facts and circumstance of our relationship with Nexalin Technology and iCapital Advisory, both of which are affiliated companies of our CEO, and have assessed whether these two companies are variable interest entities (VIEs). Based on the guidance provided in ASC 810, *Consolidation*, these two companies are not considered VIEs. The Company is not the primary beneficiary of Nexalin Technology and iCapital Advisory and, whether those two companies have any income (losses) as of December 31, 2016, it would not be absorbed by Premier Holding Corporation.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Operating lease

For the operations of TPC, the Company leases 4,260 square feet of office space at 1165 N. Clark Street, Chicago, Illinois under a 65-month operating lease through March 2019. The monthly base rent is approximately \$9,415 per month and increases each year during the term of the lease.

Legal Proceedings

Securities and Exchange Commission v. Premier Holding Corporation, et. al. (the “SEC Litigation”).

The SEC Litigation, set in the U.S. District Court for the Central District of California, alleges that:

- Premier is liable for violating Section 17(a) of the Securities Act, Sections 10(b), 13(a), 13(b)(2)(A), and 13(b)(2)(b) of the Exchange Act, and Rules 10b-5, 13a-1, 13a-11, and 13a-13 thereunder; and
- Letcavage (our CEO and President) is liable for: (i) violating Securities Act Section 17(a) and Exchange Act Section 10(b) and Rule 10b-5 thereunder, Exchange Act Sections 13(a) and 13(b)(5) and Rules 13a-14 and 13b2-1 thereunder; (ii) as a control person under Exchange Act Section 20(a) for Premier’s violations of the Exchange Act; and (iii) under Exchange Act Section 20(e) and Securities Act Section 15(b) for aiding and abetting Premier’s violations of Securities Act Sections 17(a)(2) and 17(a)(3), Exchange Act Sections 13(a), 13(b)(2)(A), and 13(b)(2)(B), and Rules 13a-1, 13a-11, and 13a-13 thereunder.

The SEC Litigation seeks permanent injunctions, disgorgement of ill-gotten gains plus prejudgment interest thereon, and civil monetary penalties as to Premier and Letcavage, as well as a penny stock bar and an officer-and-director bar against Mr. Letcavage. The SEC Litigation is currently in the discovery stage, which ends in March of 2019, and is set for trial in June of 2019. The Company and Mr. Letcavage are currently vigorously contesting the SEC Litigation. Settlement discussions to date have not been productive. At this time, an estimate of the outcome of this matter cannot be determined.

Shao Shu Zhang, et al. v. Premier Holding Corporation, et al.

On June 18, 2018, Shao Shu Zhang and others filed a complaint against the Company and others in the Los Angeles Superior Court. The Company filed a general denial to the complaint on September 26, 2018. It is currently too early in the litigation to evaluate the likelihood of an unfavorable outcome or any estimate of the amount or range of potential loss.

NOTE 11 – INCOME TAXES

Net deferred tax assets consist of the following:

	December 31, 2017	December 31, 2016
Deferred tax assets	11,930,000	11,880,000
Valuation allowance	(11,930,000)	(11,880,000)
Net deferred tax asset	\$ —	\$ —

Deferred tax assets consist primarily of net operating loss carryforwards, stock options issued for services and impairment expense. Management has elected to provide a deferred tax asset valuation allowance equal to the potential benefit due to our history of losses. If we demonstrate the ability to generate future taxable income, management will re-evaluate the allowance. The increase in the valuation allowance of approximately \$50,000 during the year ended December 31, 2017 primarily represents the increase in goodwill impairment expense, partially offset by the reduced benefit of our net operating loss carry-forwards, decreased as a result of the federal corporate income tax rate change from 35% to 21% effective January 1, 2018, and change of fair value of the derivative liability during the period. The increase in the valuation allowance of approximately \$1,700,000 during the year ended December 31, 2016 primarily represents the benefit of the change in net operating loss carry-forwards and change of fair value of the derivative liability during the period. As of December 31, 2017, our estimated net operating loss carry-forward is approximately \$29,000,000 and will expire beginning in 2032 through 2037. Internal Revenue Code Section 382 limits the ability to utilize net operating losses if a 50% change in ownership occurs over a three-year period. Such limitation of the net operating losses may have occurred but we have not analyzed it at this time as the deferred tax asset is fully reserved.

The Company's predecessor operated as an entity exempt from federal and state income taxes. The Company has not yet filed tax returns for 2015, 2016 and 2017, which are subject to examination.

NOTE 12 - SUBSEQUENT EVENTS

From January through September 2018, the Company entered into a series of stock purchase agreements with accredited investors for the sale of 38,536,159 shares of its common stock in the aggregate amount of \$615,903.

From January through September 2018, the Company received an aggregate of \$104,518 from accredited investors for the sale of 6,968,466 shares of common stock of which shares have not yet been issued as of the date of this filing.

From January through September 2018, the Company issued an aggregate of 19,944,473 shares of its common stock for services with an aggregate fair value of \$582,759.

From January through September 2017, the Company issued an aggregate of 10,166,665 shares of its common stock for the conversion of convertible notes payable with an aggregate fair value of \$80,000.

On August 31, 2018, the Company received \$162,500 from a warrant holder for the exercise of warrants at \$0.01 per share for 16,250,000 shares of the Company's common stock which have not yet been issued as of the date of this filing.

PREMIER HOLDING CORPORATION
CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Randall Letcavage, certify that:

1. I have reviewed this Annual Report on Form 10-K of Premier Holding Corporation (the "Company") for the year ended December 31, 2017;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - c. Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: October 5, 2018

By: /s/ Randall Letcavage

Name: Randall Letcavage

Title: Chief Executive Officer (Principal Executive Officer)

PREMIER HOLDING CORPORATION
CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Randall Letcavage, certify that:

1. I have reviewed this Annual Report on Form 10-K of Premier Holding Corporation for the year ended December 31, 2017;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this report;
4. The Company's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the Company and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - c. Evaluated the effectiveness of the Company's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the Company's internal control over financial reporting that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting; and
5. The Company's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the Company's auditors and the audit committee of the Company's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the Company's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's internal control over financial reporting.

Date: October 5, 2018

By: /s/ Randall Letcavage

Name: Randall Letcavage

Title: Chief Financial Officer (Principal Financial Officer and
Principal Accounting Officer)

PREMIER HOLDING CORPORATION
CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Annual Report on Form 10-K of Premier Holding Corporation (the "Company") for the year ended December 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: October 5, 2018

By: /s/ Randall Letcavage
Name: Randall Letcavage
Title: Chief Executive Officer (Principal Executive Officer)

PREMIER HOLDING CORPORATION
CERTIFICATION PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with this Annual Report on Form 10-K of Premier Holding Corporation (the "Company") for the year ended December 31, 2017 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, in the capacity and on the date indicated below, hereby certifies pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operation of the Company.

Date: October 5, 2018

By: /s/ Randall Letcavage
Name: Randall Letcavage
Title: Chief Financial Officer (Principal Financial Officer and
Principal Accounting Officer)