

International Consolidated Companies, Inc.
Form 10KSB
March 31, 2008

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

FORM 10-KSB

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

FOR THE YEAR ENDED DECEMBER 31, 2007

0-50742
(Commission file number)

INTERNATIONAL CONSOLIDATED COMPANIES, INC.
(Name of small business issuer in its charter)

Florida 02 - 0555904 (I.R.S. Employer Identification
(State or other jurisdiction of incorporation or organization) Number)
Number)

2100 19th Street, Sarasota, FL 34234
(Address of principal executive offices) (Zip Code)

Issuer's telephone number is: (941) 330-0336

SIGN MEDIA SYSTEMS, INC.
(Former name or former address, if changed since last report)

Securities registered under Section 12(b) of the Exchange Act: None

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

Common Stock, No Par Value
(Title of Class)

Check whether the issuer is not required to file reports pursuant to Section 13 of 15(d) of the Exchange Act. []

Check whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the past 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 [X] No []

Check if there is no disclosure of delinquent filers in response to Item 405 of Regulation S-B is not contained in this from, and no disclosure will be contained to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10KSB or any amendment to this Form 10KSB. [X]

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Indicate by check mark whether the issuer is an accelerated filer (as defined in Exchange Act Rule 12b-2). Yes No

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

The issuer's revenues for the most recent fiscal year were \$24,784.

State the aggregate market value of the voting and non-voting common equity held by non-affiliates computed by reference to the price at which the common equity was sold, or the average bid and ask price of such equity as of a specified date within the past 60 days. As of March 28, 2008, the aggregate market value of the voting common equity held by non-affiliates was \$631,547.

The number of shares outstanding of the issuer's common equity as of December 31, 2007, was 12,566,549, No Par Value.

Documents Incorporated by reference: Exhibits 3.1, 3.2, 4.1, 14.1, and 21.1 from the Issuer's Form 10-SB filed as of May 4, 2004. Exhibits 10.1, 10.2, 10.3, and 10.4 from the Issuer's Form 10-SB/A Third Amendment filed as of February 9, 2005. Exhibits 10.5, and 10.6, from the Issuer's Form 10-SB/A Fourth Amendment filed as of April 1, 2005. Exhibit 16.4 from the Issuer's Form 10-SB/A Sixth Amendment filed as of September 12, 2005.

Transitional Small Business Disclosure Format (Check one): Yes No

PART I

ITEM 1. DESCRIPTION OF BUSINESS

Our History.

We started business as E Signs Plus.com, LLC, a Florida limited liability company on June 20, 2000. We were engaged in the business of manufacturing and selling signage of all types. We were also in the business of selling advertising space on the sides of trucks. We would rent space on the sides of trucks and sell that space to other businesses that wished to advertise their products in that manner (“third party advertising”). We also printed the advertising materials (“graphics”). At that time we were purchasing truck side mounting systems from third parties to attach to the truck sides in which to insert the graphics.

It soon became apparent that the third party advertising business would not be profitable if we had to purchase mounting systems from third parties. In August of 2001, we began developing our own proprietary truck side mounting systems for the display of graphics on the sides of trucks. We also determined that there was another market for our mounting systems and graphics; businesses that wished to advertise their products on their own fleet of trucks. At that time we decided to limit our business to developing, manufacturing and marketing mobile billboard mounting systems which are primarily mounted on trucks, to printing the graphics that are inserted into the mounting systems and to third party advertising. On August 27, 2001, we changed E Signs Plus.com’s name to GO! Agency, LLC.

On January 28, 2002, we incorporated Sign Media Systems, Inc. in the State of Florida. GO! Agency continued in the business of marketing its proprietary truck side mounting systems, the sale of third party advertising and the printing and sale of graphics. Sign Media Systems engaged the business of developing, manufacturing and marketing the mounting systems.

In December, 2002, we determined that it would be in our best interest to operate the truck side mounting system, third party advertising and graphics business through one entity rather than two entities. Therefore, effective January 1, 2003, GO! Agency contributed all of its assets to Sign Media Systems, in exchange for Sign Media Systems common stock and Sign Media Systems became a subsidiary of GO! Agency. GO! Agency owns 97% of our shares of common stock. At that time, GO! Agency ceased conducting the truck side mounting system, third party advertising and graphics business and all of those business activities are conducted through Sign Media Systems. Both GO! Agency and Sign Media Systems are “small business issuers” as that term is defined in Section 228.10 of Regulation S-B promulgated by the Securities and Exchange Commission. Please refer to Note 1 of the Consolidated Financial Statements contained in Part F/S hereof and to Item 7, Certain Relationships and Related Transactions for more information concerning our relationship with GO! Agency.

Antonio F. Uccello, III, is the manager and the 51% owner, the control person and promoter of GO! Agency formerly known as E Signs Plus.com and, therefore, pursuant the terms of GO! Agency’s Operating Agreement, has the sole power, subject to his fiduciary duties to the other GO! Agency members, to vote, or dispose of or direct the disposition of all the shares of Sign Media System’s common stock beneficially owned by GO! Agency. Antonio F. Uccello, III, has absolute control of us by virtue of his voting control of 7,960,000 shares of our common stock.

On November 17, 2003, we entered into a merger agreement with American Powerhouse, Inc., a Delaware corporation and its wholly owned subsidiary, Sign Media Systems Acquisition Company, Inc., a Florida corporation. Pursuant to the merger agreement, we merged with Sign Media Systems Acquisition Company. The merger was completed on December 8, 2003 with the filing of Articles of Merger with the State of Florida at which time Sign Media Systems Acquisition ceased to exist and we became the surviving corporation. Some time prior to

the merger, American Powerhouse had acquired certain technology for the manufacture of a water machine in the form of a water cooler that manufactures water from ambient air. American Powerhouse was not engaged in the business of manufacturing and distributing the water machine but was engaged in the licensing of that right to others. Prior to the merger, American Powerhouse granted a license to Sign Media Systems Acquisition to use that technology and to manufacture and sell the water machines. The acquisition of this license was the business purpose of the merger. The license agreement is attached hereto as Exhibit 10.5. Material terms of the license agreement include the following:

- We have right to utilize certain proprietary technology for the manufacture, design, creation, sale or use of a water cooler (“Water Machine”) which manufactures distilled water from ambient air;
 - The term of the license is in perpetuity;
 - The territory in which we are allowed to exploit the license is all countries in the world;
 - The license is non-exclusive; and
 - We do not have the right to sublicense the technology to others.

As consideration for the merger, we issued 300,000 shares of our common stock to American Powerhouse. The 300,000 shares of stock were valued at \$1.50 per share based on recent private sales of our stock. There were no other material costs of the merger. Please refer to Note 1 of the Notes to Consolidated Financial Statements for December 31, 2003 and 2002 contained elsewhere herein for more information on the merger. Due to problems with our plans for marketing and distribution of the water machine subsequent to the merger, the license has no carrying or book value for the year ended December 31, 2003 in our Consolidated Financial Statements for December 31, 2004 and 2003. There was and is no relationship between American Powerhouse and either Sign Media Systems or GO! Agency. To the best of our knowledge, the only control person of American Powerhouse is Robert F. Rood.

On October 16, 2007 the Company changed its name to International Consolidated Companies.

Our Business.

As of year ending December 31st, 2007 we are in the business of developing, manufacturing and marketing mobile billboard mounting systems which are mounted primarily on truck sides, rear panels and breaking panel roll up doors. We also produce digitally created outdoor, full color vinyl images (“graphics”) which are inserted into the mounting systems and displayed primarily on trucks. We have developed mounting systems which allow graphics to easily slide into an aluminum alloy extrusion with a cam-lever that snaps closed stretching the image tight as a drum, and that also easily opens to free the image for fast removals and change outs without damaging the truck body or the graphics. We are also in the business of selling third party advertising on truck sides utilizing our mounting systems.

In November, 2003, we acquired a license to certain proprietary technology for the manufacture, design, creation, sale or use of a water cooler which manufactures distilled water from ambient air. It was our intent to sell this product in Central and South America. At that time we were in negotiations with independent dealers in Central America who sold United States products in Central and South America who expressed a desire to market this product in that territory. Ultimately, we were unable to come to a satisfactory agreement with these dealers for the sale of this product. Accordingly, we are not currently engaged in the business of manufacturing and sale of this product. We will not become engaged in the business of manufacturing and selling this product until we can identify and come to a satisfactory agreement with an independent dealer or dealers in that territory for the sale of this product. We cannot currently predict when or if we will identify and come to a satisfactory agreement with an independent dealer or dealers in this territory for the sale of this product.

Our Products and Services.

We currently have five mounting systems; two for the sides of truck bodies and trailers of all sizes, one for the rear of side roll up beverage body trailers, one for the rear garage style roll up doors of trailers and one for the sides of

commercial cargo vans. Our “Profile I” mounting system utilizes our proprietary Cam Lever technology to evenly tension images across wide surface areas and allows graphics to be inserted on both sides of truck bodies and trailers of all sizes. Our “Profile II” mounting system utilizes our proprietary Omega Lock and Insert technology combined with our grommeted floating rail/zip tie technology to evenly tension images across wide surface areas and allows graphics to be inserted on both sides of truck bodies and trailers of all sizes. Our Hotswap Lite mounting system evenly tensions images across small surface areas and allows graphics to be inserted on the rear panels of side roll up beverage trucks and trailers. Our Hotswap Stretch mounting system utilizes our proprietary stretch technology to evenly tension images across breaking panel garage type roll up doors, seamlessly allowing images to roll up with those doors and allows graphics to be changed and reused. Our VanGo mounting system utilizes our proprietary cap and insert technology to evenly tension images on curved surfaces such as the sides of commercial cargo van bodies.

With five products to cover key visible surface areas of trucks and trailers, we offer economical and easy image change-outs for semi and beverage trailers, urban box trucks, and cargo vans.

We are also in the digital printing and graphic design business, which allows us not only to market our mounting systems, but also to design and produce the graphics which are inserted in mounting systems. Graphics are high-resolution full digital color prints, produced in heavy weight outdoor vinyl. They are mounted on truck sides, rear panels and roll-up doors utilizing our mounting systems. Whether a customer’s advertising campaign reaches from coast to coast, or changes seasonally, our mounting systems will allow the customer to exchange and reuse images over and over again. Images can be “swapped” for a fraction of what it costs to remove, paint, and apply pressure sensitive adhesive vinyl to truck sides, with downtime measured in minutes, rather than days. Downtime for trucks is an extremely important consideration as the trucks generate no revenue and provide no services when not on the road.

We are also in the business of selling third party advertising on truck sides utilizing our mounting systems and graphics.

Our Target Markets and Marketing Strategy.

Currently, we have three primary sources of revenue: (i) the sale and installation of our mounting systems, (ii) third party advertising; and (iii) the printing of graphics to be inserted on trucks utilizing our mounting systems

Our Mounting Systems.

According to Fleet Owner magazine, the commercial trucking market consists of more than 10 million vehicles - trucks, tractors, and trailers - of all types and sizes, from light to heavy duty, serving all segments of the nation's economy. Commercial trucking fleets in the U.S. operate more than 7 million trucks and 3.4 million trailers. Trucking is a large and diverse business. It hauls roughly 80% of America's freight and serves virtually every sector of the nation's economy. Truckers fall into two basic categories: for-hire carriers and private fleets. For-hire truckers haul freight and provide transportation services for others. Trucking is their primary business. Private fleets, on the other hand, are the proprietary transport, distribution, or service arms of companies that are not in the trucking business. A private fleet's primary function is to haul its own company's goods or perform a service in support of its company's main business. Private fleets make up over two-thirds of the trucking market. In the trucking industry, fleets are defined as trucking operations of five or more vehicles. The "5+" truck-fleet segment is the heart of the trucking market, accounting for close to 80% of the total commercial vehicle population. The private fleet one the market where we are initially focused.

We are focusing on three primary channels for distribution of our mounting systems to the private fleet market: (i) developing a nation wide dealer base; (ii) strategic alliances with reselling partners, including truck body and trailer manufacturers, truck dealers and the traditional retail sign industry; and (iii) direct sales to existing fleets. We believe these three channels of distribution offer the opportunity for future growth and expansion.

Third Party Advertising.

Private fleets also offer a third source of revenue; third party advertising. We identify fleet owners who are willing to lease space on their trucks for advertising from third parties. We enter into a lease agreement with a fleet owner for truck side space that provides that so long as there is third party advertising on that space, we will pay the fleet owner a monthly lease fee. We identify third parties who wish to advertise their good or services in the area in which the fleet owners utilize their fleets and sell the third party advertiser space on the truck sides. We obtain revenue from the graphics we produce for the advertising and from the advertising fee. In this segment of our business, we do not sell the mounting systems and therefore derive no revenue from a sale of the mounting systems.

We are focusing on three primary channels for third party advertising: (i) developing a nation wide dealer base; (ii) alliances with advertising agencies; and (iii) direct sales to third parties seeking advertising space using our sales and marketing staff.

Graphics.

We believe that sales of graphics will be made in conjunction with sales of our mounting systems and sales of third party advertising.

Competition.

Our market for our products is based on the cost-effective use and re-use of graphics in conjunction with our mounting systems without damaging either the graphics or the truck sides to reach large and diverse adult audiences.

The truck side advertising business is fragmented into two segments; pressure sensitive applied vinyl and mounting systems that allow graphics to be attached to the sides of trucks.

Our primary competition is pressure sensitive applied vinyl (“PSAV”). PSAV is vinyl that adheres directly to the truck side. The initial cost of our mounting systems with graphics is about the same as applying PSAV to truck sides. However, removal of PSAV is extremely labor and time intensive and destroys the Fleet Graphic. The benefit of the our mounting systems is that the Fleet Graphic can be “swapped” for a fraction of what it costs to remove and re-apply PSAV, with downtime for the truck measured in minutes, rather than days. Our mounting systems also allow the Fleet Graphic to be reused at a later date.

The major manufacturers and marketers of PSAV are 3M Company and Avery Dennison Corporation. 3M and Avery Dennison are multi-billion dollar companies with established and successful sales and marketing organizations. Nevertheless, we believe that the advantages of our mounting systems will allow us to effectively compete in this industry.

There are other companies that design and manufacture some type of mounting system for attached graphics to vehicles. None of these competitors has a system that is substantially similar to our mounting systems and we believe that the functionality and cost-effectiveness of our mounting systems make them competitive in the market. However, some of our potential competitors may have larger advertising and marketing budgets than we do and may be better able to establish a market presence.

Dependence on Major Customers

We do not rely on any particular customer. In 2006 we received the majority of our revenues from Applied Advertising. However, we did not do business with Applied in 2007, and we have written off our accounts receivable from them. See Note 2 to our Financial Statements.

Sources and Availability of Raw Materials.

Raw material for the manufacture of the mounting systems consists primarily of extruded aluminum and fasteners which are readily available throughout the county. Raw material for the manufacture of the graphics consists primarily of vinyl billboard banner material which is readily available through the county.

Intellectual Property and Patents.

Our success may depend in large part upon our ability to preserve our trade secrets, obtain and maintain patent protection for our technologies, products and processes, and operate without infringing the proprietary rights of other parties. However, we may rely on certain proprietary technologies, trade secrets, and know-how that are not patentable. Although we do take action to protect our trade secrets and our proprietary information, in part, by the use of confidentiality and non-compete agreements with our employees, consultants and dealers, we cannot guaranty that:

These agreements will not be breached;

- We would have adequate remedies for any breach; or
- Our proprietary trade secrets and know-how will not otherwise become known or be independently developed or discovered by competitors

On January 14, 2003, we filed a United States patent application for our sign and awing attachment system and method of use for image mounting systems and that patent was allowed by the U.S. Patent Office under serial number 10/341.471. Since then we have filed for two separate patents each relating to the mounting of images, one being a beadless signage system and method of use for image mounting systems and the other being an apparatus and method

for attaching signs to vehicular surfaces and we therefore own a pending United States patent application that contains claims covering those two additional mounting systems. We believe that these new patent applications will reduce our cost of mounting images. The patent applications are being prosecuted by the intellectual property law firm of Fish & Richardson, PC of New York City. We believe that the additional patent application claims which are on file are sufficiently broad to cover not only the specific systems, but also similar systems; and that, if granted, will be infringed by systems that employ the fundamentals of our system. However, at this time our patent attorneys cannot advise as to the likelihood of obtaining allowance of the claims on file or other claims sufficiently broad to provide a competitive advantage.

We cannot guaranty that our actions will be sufficient to prevent imitation or duplication of either our products and services by others or prevent others from claiming violations of their trade secrets and proprietary rights.

On December 16, 2002, we filed a United States application for a trademark for the words "HOTSWAPROFILE" which we use to describe our mounting system for trucks of all sizes. That trade mark has been registered under registration number 2,963,602.

Research and Development Activities.

In the year ended December 31, 2007, we did not incur research and development costs.

Diversification of Business

In June 2007 the board of directors voted to diversify the company's business by acquiring businesses internationally. In August 2007 the board of directors voted to change the company's proposed name to International Consolidated Companies, Inc. Since that time the Company has engaged in the evaluating certain Chinese businesses for acquisition.

Employees.

As of the date of this Report, we have three full time employees and one part time employee for a total of three (3) employees.

ITEM 2. DESCRIPTION OF PROPERTY

On November 1, 2002, we entered into a lease as the lessee with Hawkeye Real Estate, LLC, a Florida limited liability company and a related party, as lessor of 6,300 square feet of mixed office and warehouse space at 2100 19th Street, Sarasota, FL 34234 for a period of five years beginning December 1, 2002 and continuing until November 30, 2007 for a fixed monthly rental of \$2,500 per month. Effective January 1, 2005, we amended the lease to obtain access to additional parking for our vehicles, employee vehicles and customer vehicles. The amended lease provided for a fixed monthly rental of \$4,195 per month.

In December, 2005, Hawkeye Real Estate, LLC asked us to relocate to smaller premises in the same complex as it had found a buyer for the existing premises. As an inducement to vacate the existing premises described above, Hawkeye Real Estate agreed to temporarily provide a 2,000 square foot facility of mixed office and warehouse space and 5,000 square feet of outside storage space at the same address in the same complex for a \$0.00 monthly rental until it could obtain the necessary permits and construct new custom premises for us in the same complex and lease us the newly constructed space on terms substantially similar to the original lease. The company is currently paying approximately \$1,400 a month on month to month basis.

Our executive offices and manufacturing facility are located at these premises. We believe the premises are adequate for our purposes.

ITEM 3. LEGAL PROCEEDINGS

There are no pending or threatened legal proceedings to which we are a party or of which any of our property is the subject. To our knowledge, there are no proceedings contemplated by governmental authorities.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS

No matters were submitted to a vote of security holders.

PART II

ITEM 5. MARKET FOR COMMON EQUITY AND RELATED STOCKHOLDER MATTERS

Market Information

On November 30, 2006, our common stock was accepted for quotation on the OTC Bulletin Board under the stock symbol "SGNM." Trading did not commence until after the close of our fiscal year ended December 31, 2006, and therefore, there was no bid or ask price for our common stock on the OTC Bulletin Board during the last quarter of 2006. Concurrent with our name change in October 2007, our symbol changed to INCC.

None of our common stock is subject to outstanding options or warrants to purchase, or securities convertible into, our common equity.

The following table represents the high and low price for each quarter for the year ended December 31, 2007.

Quarter	High	Low
January 1, 2007 to March 31, 2007	\$1.00	\$0.18
April 1, 2007 to June 30, 2007	\$1.00	\$0.35
July 1, 2007 to September 30, 2007	\$1.01	\$0.51
October 1, 2007 to December 31, 2007	\$1.01	\$0.35

Holders

There are approximately 228 holders of our common stock.

Dividends

We have never paid any cash dividends on our common stock and do not anticipate paying cash dividends in the foreseeable future. The future payment of dividends is directly dependent upon our future earnings, our financial requirements and other factors to be determined by our Board of Directors, in its sole discretion. For the foreseeable future, it is anticipated that any earnings that may be generated from our operations will be used to finance our growth, and that cash dividends will not be paid to common stockholders.

Recent Sales of Unregistered Securities

The following information is furnished with regard to all securities sold by us within the past three years that were not registered under the Securities Act. The issuances described hereunder were made in reliance upon the exemptions from registration set forth in Section 4(2) of the Securities Act relating to sales by an issuer not involving any public offering. All securities sold by us within the past three years were shares of common stock, no par value. No underwriter was used in any of these transactions and there were no underwriting discounts or commissions paid.

Date	Name	Number of Shares	Consideration in Dollars
January 10, 2007	Marcus Faller	150,000	Services \$75,000
January 12, 2007	Henry Plantagenet, LLC	2,000,000	Services \$1,000,000

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February 8, 2007	Evelyn P. Silva	300,000	\$90,000
July 12, 2007	Colby Butcher	14,706	\$10,000
July 23, 2007	Scott Dyer	36,765	\$25,000
July 31, 2007	The Thomas F. Pepin Pension Limited Partnership	110,294	\$75,000
August 13, 2007	John Burden	73,529	\$50,000
August 16, 2007	Clif Mitchell	148,897	\$101,250
August 17, 2007	North America Life Insurance	148,897	\$101,250
November 17, 2007	Richard Dorfman	73,529	\$50,000
December 13, 2007	Kenneth Davidson	300,000	Services \$180,000
December 21, 2007	James Kordomenos	110,294	\$50,000
December 27, 2007	Michael Caruana	55,555	\$25,000

All of the above purchasers, and all of the purchasers referred to in footnote (1) immediately above, were Accredited Investors at the time of the sale of shares of stock to the purchasers listed in the foregoing table, we provided all of the with our non-financial statement and financial statement information described in Section 502(b)(2) of Regulation D promulgated by the Securities and Exchange Commission. None of the offers or sales to these purchasers involved any form of general solicitation or general advertising. Prior to each sale, each of these purchasers was afforded the opportunity to ask questions and receive answers concerning the terms and conditions of the offering and to obtain additional information we possessed or could acquire without unreasonable effort or expense to verify the accuracy of the information provided them pursuant to Section 502 (b)(2). We took reasonable care to insure that the shares of stock sold to these purchasers could not be resold without registration under the Securities Act of 1933 (the "Act") or an exemption there from and that these purchasers were not underwriters under that Act and in connection there with: (a) made reasonable inquiry to insure that these purchasers were acquiring the shares of stock for themselves and not for any other persons; (b) provided written disclosure to each purchaser that the shares of stock had not been registered under the Act and therefore could not be resold unless registered under the Act or unless an exemption from registration is available; and (c) placed a restrictive legend on the shares of stock stating that they had not been registered under the act and setting forth restrictions on their transferability and sale. Finally, we made reasonable inquiry to insure that each of these purchasers had such knowledge and experience in financial and business matters that each purchaser was capable of evaluating the merits and risks of investment in the shares of stock and of making an informed investment decision with respect thereto or had consulted with advisors who possess such knowledge and experience.

ITEM 6. MANAGEMENT'S DISCUSSION AND ANALYSIS

Management Discussion Snapshot.

The following table sets forth certain of our summary selected operating and financial data. The following table should be read in conjunction with all other financial information and analysis presented herein including the Audited Financial Statements for the Years Ended December 31, 2007 and 2006.

Summary Selected Statements of Profits and Losses and
Financial Data which is Derived from Our Audited Financial Statements

	2007	2006
REVENUE	24,784	726,812
COSTS OF GOODS SOLD	3,446	189,131
GROSS PROFIT	21,338	537,681
OPERATING EXPENSES		
Professional fees and administrative payroll	1,519,013	146,262
General and administrative expenses	211,501	83,679
Bad debt expense	382,525	-
Inventory impairment	-	-
Depreciation	58,693	58,693
	2,171,732	288,634
INCOME (LOSS) BEFORE OTHER INCOME (EXPENSE)	(2,150,394)	49,047
OTHER INCOME (EXPENSE)		
Interest income	8,818	7,503
Other income	-	-
Interest expense	(5,103)	(505)
	23,715	26,998
INCOME BEFORE INCOME TAXES	(2,126,679)	276,045
Provision for income taxes	-	45,007
NET INCOME APPLICABLE TO COMMON SHARES	\$ (2,126,679)	\$ 231,038
NET INCOME PER BASIC AND DILUTED SHARES	\$ (0.18)	\$ 0.03

WEIGHTED AVERAGE
NUMBER OF COMMON
SHARES OUTSTANDING 11,628,563 8,508,606

Revenue and Expenses.

For the year ended December 31, 2006, we had total revenue of \$726,812 total costs of goods sold of \$189,131, gross profit of \$537,681, net income applicable to common shares of \$231,038 and net income per basic and diluted shares of \$0.03 based on a weighted average of 8,508,606 common shares outstanding.

For the year ended December 31, 2007, we had total revenue of \$24,784, total costs of goods sold of \$3,446, gross profit of \$21,338, net income (loss) applicable to common shares of (\$2,126,679), and net income (loss) per basic and diluted shares of (\$0.18) based on a weighted average of 11,628,563 common shares outstanding.

Most of our revenue was derived from business with one customer with whom we ceased doing business. Thus, we experienced a significant decline in our revenue.

During the years ended December 31, 2006, a material part of our business was dependent upon one key customer, Applied Advertising Network, LLC of Lake Mary, Florida. During the year ended December 31, 2006, our sales to this customer were approximately \$700,632 of 96% of revenue. During the year ended December 31, 2005, our sales to this customer were approximately \$1,401,265 or 94% of revenue including a provision for bad debt in the amount of \$207,565.

Our revenue in the year ended December 31, 2007, was \$24,784 compared to revenue in the preceding period of \$726,812. This is a decrease from period to period of \$702,028. This decreased in revenue is attributable to decreased sales of mounting systems to one key customer, Applied Advertising Network, LLC of Lake Mary, Florida. Applied Advertising Network is not a related party.

In the year ended December 31, 2007, our cost of goods sold was \$3,446 or 14% of revenue. In the year ended December 31, 2006, our cost of goods sold was 189,131 which is 26% of revenue.

In the year ended December 31, 2007, our professional fees and administrative payroll was \$1,519,013. In the year ended December 31, 2006, of professional fees and administrative payroll was \$146,262. This increase of \$1,372,751 in professional fees and administrative payroll from the pervious period is primarily due to stock issued at Fair Market Value for professional services.

In the year ended December 31, 2007, our general and administrative expenses were \$211,501. In the year ended December 31, 2006, our general and administrative expenses were \$83,679. The increase of \$127,822 in general and administrative expenses from the previous period to period is primarily due to our decision to begin looking at the acquisition of Chinese companies.

In the years ended December 31, 2006 and 2007, our depreciation expense was \$58,693.

In the year ended December 31, 2007 our other income (expenses) was \$23,715. In the year ended December 31, 2006, our other income (expense) was 26,998. The difference is related to an increase in our interest expense to (\$5,103).

Working Capital.

The following table sets forth a summary of our working capital.

AT DECEMBER 31:	2007	2006
Current assets	\$ 9,994	\$ 705,424
Current liabilities	115,300	221,567
Working capital	\$ (105,306)	\$ 483,857

Cash Flow.

Our cash flow from operating, investing and financing activities, as reflected in the Consolidated Statement of Cash Flows is summarized in the table below.

FOR THE YEARS ENDED		
DECEMBER 31:	2007	2006
Net cash provided by/(used in):		
Operating activities	\$ (604,315)	\$ (110,434)
Investing activities	(203,677)	422,157
Financing activities	512,913	(9,848)
Net increase (decrease) in cash and cash equivalents	\$ (295,079)	\$ 301,875

Net cash provided by operating activities for the year ended December 31, 2007, increased significantly compared to the preceding period due to our decision to begin looking at the acquisition of Chinese companies

Assets and Debt.

Our current assets and current liabilities are summarized in the table below.

AT DECEMBER 31:	2007	2006
Current assets	\$ 9,994	\$ 705,454
Current Liabilities	\$ 115,300	\$ 221,567

Current assets for the year ended December 31, 2007, decreased compared to the preceding period. Current assets for the year ended December 31, 2007, consists of \$9,048 of cash and cash equivalents and \$946 of accounts receivable. The decrease in current assets was due primarily to a decrease of in cash on hand and the decision to consider the accounts receivable from our primary customer to be un-collectable.

Current liabilities for the year ended December 31, 2007, decreased compared to the preceding period. The decrease in current liabilities was primarily due to a reduction in accounts payable and a decrease in the liability for stock to be issued.

Our non-current assets and long-term debt are summarized in the table below.

AT DECEMBER 31:	2007	2006
Non-current assets	\$ 616,527	\$ 511,602

Off Balance Sheet Arrangements.

We have not entered into any off-balance sheet arrangements as defined by SEC Final Rule 67 (FR-67) "Disclosure in Management's Discussion and Analysis about Off-Balance Sheet Arrangements and Aggregate Contractual Obligations,"

Liquidity and Capital Resources.

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For the reported periods, cash flow from operating activities has not been sufficient to cover our working capital requirements or to finance expansion of our sales and marketing activities. We have utilized cash flows from financing activities to provide working capital and to expand sales and marketing activities. Financing has been provided primarily by loans from related parties and from the issuance of common stock. We do not have any institutional financing in place and do not anticipate being able to arrange any institutional financing for the foreseeable future.

The following table summarizes our cash flow provided by or used in operating activities, investing activities and financing activities.

FOR THE YEARS ENDED		
DECEMBER 31:	2007	2006
Net cash provided by/(used in):		
Operating activities	\$ (604,315)	\$ (110,434)
Investing activities	(203,677)	422,157
Financing activities	512,913	(9,848)
Net increase (decrease) in cash and cash equivalents	\$ (295,079)	\$ 301,875

The current portion of long-term debt consists of one installment note with GMAC Finance for the purchase of one truck in the original amount of \$45,761. The final payment on this installment note is \$4,578, all of which is due in the fiscal year ending December 31, 2007.

Operating lease obligations consists of one lease for our corporate offices. In December, 2005, Hawkeye Real Estate, LLC, the owner of our previous premises, requested that we relocate to smaller premises in the same complex as it had found a buyer for the existing premises. As an inducement to vacate the existing premises, Hawkeye Real Estate agreed to temporarily provide a 2,000 square foot facility of mixed office and warehouse space and 5,000 square feet of outside storage space at the same address in the same complex for a \$0.00 monthly rental until it could obtain the necessary permits and construct new custom premises for us in the same complex and lease us the newly constructed space on terms substantially similar to the original lease. We estimate we will not be obligated to pay rent until the beginning of the fiscal year ending December 31, 2008 and until that time we are occupying our premises rent-free. See Item 12, Certain Relationships and Related Transactions contained elsewhere herein.

We believe, but cannot guarantee, that sales of our products will generate sufficient cash flow to meet our firm contractual commitments. If cash flow from sales is insufficient, we will be required to raise money through financing activities including loans from related parties and sales of common stock. We cannot guarantee that we will be able to obtain loans or sell stock in sufficient amounts to meet our firm contractual commitments and our budgeted expenses.

Critical Accounting Policy and Estimates

Our Management's Discussion and Analysis of Financial Condition and Results of Operations section discusses our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, management evaluates its estimates and judgments, including those related to revenue recognition, accrued expenses, financing operations, and contingencies and litigation. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. The most significant accounting estimates inherent in the preparation of our financial statements include estimates as to the appropriate carrying value of certain assets and liabilities which are not readily apparent from other sources. These accounting policies are described at relevant sections in this discussion and analysis and in the notes to the consolidated financial statements included in this Annual Report.

Looking Forward.

Water Machine

For the reasons set forth in Part 1, Item 1 above, we are not currently engaged in the business of manufacturing and selling the Water Machine. When and if we become engaged in this business, we believe that the Water Machines can be manufactured at a cost that will allow their sale to be competitive with bottled water products. Because we are not currently engaged in this business, we cannot predict the impact of this product on our results of operation and financial condition going forward.

Our Truck Side Mounting Systems, Advertising and Digital Printing Business

Our emphasis in the coming months is to increase our dealer network. We are actively pursuing the securing more qualified dealers. We believe that securing a larger dealer base will result in additional sales. There can be no guarantee that we will be successfully in securing additional dealers and if we do secure additional dealers that they will increase sales.

In addition to securing additional dealers, we are working to improve our truck side mounting systems to reduce their cost and improve their quality. We have an in-house engineer working on this project.

Additionally, as set forth in Part I above, the Company has been actively looking at the acquisition of Chinese companies.

There can be no guarantee that we will continue to be profitable or that our revenue or net income will increase sufficiently to support expansion. Unless and until our marketing activities succeed and we sell our products on a wide-scale commercial basis, we may not have enough revenue to cover our operating expenses and may incur losses. We do not expect to generate significant revenue until such time, if ever, that sales increase substantially from their present levels. Accordingly, we cannot assure anyone that we will generate sufficient revenue to profitably operate in the future.

Our operations have consumed and will continue to consume substantial amounts of capital, which, up until now, have been largely financed from loans from related parties and sales of stock to private investors. We expect capital and operating expenditures to increase. Although we believe that we will be able to attract additional capital through private investors and as a result thereof our cash reserves and cash flows from operations will be adequate to fund our operations through the end of calendar year 2006, there can be no assurance that such sources will, in fact, be adequate or that additional funds will not be required either during or after such period. No assurance can be given that any additional financing will be available or that, if available, it will be available on terms favorable to us. If adequate funds are not available to satisfy either short or long-term capital requirements, we may be required to limit our operations significantly or discontinue our operations. Our capital requirements are dependent upon many factors including, but not limited to, the rate at which we develop and introduce our products and services, the market acceptance and competitive position of such products and services, the level of promotion and advertising required to market such products and services and attain a competitive position in the marketplace, and the response of competitors to our products and services.

We believe that we have assembled an experienced team of senior management. We believe that it is an essential part of our strategy to continue to aggressively strengthen the breadth, depth and industry expertise of our executive team. Our growth depends to a substantial degree on Antonio F. Uccello, III, the Chairman, President, Chief Executive Officer and Chief Financial Officer as well as other executive officers and key management personnel. Our loss of the services of any of these key personnel could have a material adverse effect on our business. There is currently no "key person" life insurance on the life of any of our executive officers, and no plans are underway to secure adequate key man coverage. Our continued growth will also be dependent upon our ability to attract and retain additional skilled management and sales personnel. We may not be successful, which could adversely affect our business. Our inability to retain key personnel or attract new high quality senior management could materially adversely affect our results of operations.

We offer several warranties on our products, for five years, covering the functionality of the mounting systems and the ultraviolet protection of the graphics where we do the printing of the graphics. There can be no guarantee that we will be able to afford to process all of the warranted maintenance if more legitimate repairs are requested than we have forecasted.

We have begun training outside parties to become certified installers of our products. We anticipate that having more installers will make repairs and change-outs of graphics convenient and cost effective for our customers. However, we may not be able to train enough installers to handle the potential demand for our products. This would result in

delays in service, which could affect customer satisfaction and adversely affect our business. Currently, we believe that we have sufficient numbers of trained installers to handle the potential demand and expect to be able to continue to train additional installers to keep pace with the anticipated growth of our business. However, there can be no guarantee that this will occur.

Once we train outside independent installers to install our products, we will not be supervising each of them on a continuing basis. Although each certified independent installer is anticipated to be under contract with us to install our products only according to our specifications, we cannot guarantee that this level of installation will occur in every case, and it is possible that we may face liability for the installers' actions if our products injure or damage other people or their property. We intend to procure indemnification agreements from our certified independent installers to avoid this potential problem.

ITEM 7. FINANCIAL STATEMENTS

INTERNATIONAL CONSOLIDATED COMPANIES, INC.
(FORMELY KNOWN AS SIGN MEDIA SYSTEMS, INC.)
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006

INTERNATIONAL CONSOLIDATED COMPANIES, INC.
(FORMELY KNOWN AS SIGN MEDIA SYSTEMS, INC.)

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

PAGE(S)	
	Report of Independent Registered Public Accounting Firm 11
	Consolidated Balance Sheet at December 31, 2007 12
	Consolidated Statements of Operations for the Years Ended December 31, 2007 and 2006 13
	Consolidated Statements of Changes in Stockholders' Equity (Deficit) for the Years Ended December 31, 2007 and 2006 14
	Consolidated Statements of Cash Flows for the Years Ended December 31, 2007 and 2006 15
	Notes to the Consolidated Financial Statements 16-20

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders of
International Consolidated Companies, Inc.
Sarasota, FL

We have audited the accompanying consolidated balance sheet of International Consolidated Companies, Inc., (the "Company") as of December 31, 2007, and the related consolidated statements of operations, changes in stockholders' equity (deficit) and cash flows for each of the years in the two-year period ended December 31, 2007. 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 audits.

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

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of International Consolidated Companies, Inc., as of December 31, 2007 and 2006, and the results of its operations and its cash flows for each of the years in the two-year period ended December 31, 2007 in conformity with accounting principles generally accepted in the United States of America.

BAGELL, JOSEPHS, LEVINE & COMPANY, L.L.C.
Bagell, Josephs, Levine & Company, L.L.C.
Marlton, NJ 08053

March 24, 2008

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INTERNATIONAL CONSOLIDATED COMPANIES, INC.
(FORMELY KNOWN AS SIGN MEDIA SYSTEMS, INC.)
CONSOLIDATED BALANCE SHEET DECEMBER 31, 2007 AND 2006

ASSETS

	2007
CURRENT ASSETS	
Cash and cash equivalents	\$ 9,048
Accounts receivable, net	946
	9,994
 PROPERTY AND EQUIPMENT - net	 40,059
 OTHER ASSETS	
Due from related parties	616,527
	616,527
 TOTAL ASSETS	 \$ 666,580

LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)

CURRENT LIABILITIES	
Current portion of long-term debt	\$ 4,578
Accounts payable and accrued expenses	60,722
Liability for stock to be issued	50,000
	115,300
 TOTAL LIABILITIES	 115,300
 STOCKHOLDERS' EQUITY (DEFICIT)	
Common stock, no par value, 100,000,000 shares authorized at December 31, 2007; 12,566,549 shares issued and outstanding at December 31, 2007	2,062,400
Additional paid-in capital	671,700
Prepaid expenses	(150,000)
Retained earnings (deficit)	(2,032,820)
TOTAL STOCKHOLDERS' EQUITY (DEFICIT)	551,280
 TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)	 \$ 666,580

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

INTERNATIONAL CONSOLIDATED COMPANIES, INC.
(FORMELY KNOWN AS SIGN MEDIA SYSTEMS, INC.)
CONSOLIDATED STATEMENTS OF OPERATIONS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
REVENUE	24,784	726,812
COSTS OF GOODS SOLD	3,446	189,131
GROSS PROFIT	21,338	537,681
OPERATING EXPENSES		
Professional fees and administrative payroll	1,519,013	146,262
General and administrative expenses	211,501	83,679
Bad debt expense	382,525	-
Depreciation	58,693	58,693
	2,171,732	288,634
INCOME (LOSS) BEFORE OTHER INCOME (EXPENSE)	(2,150,394)	249,047
OTHER INCOME (EXPENSE)		
Interest income	28,818	27,503
Interest expense	(5,103)	(505)
	23,715	26,998
INCOME (LOSS) BEFORE INCOME TAXES	(2,126,679)	276,045
Provision for income taxes	-	45,007
NET INCOME (LOSS) APPLICABLE TO COMMON SHARES	\$ (2,126,679)	\$ 231,038
NET INCOME (LOSS) PER BASIC AND DILUTED SHARES	\$ (0.18)	\$ 0.03
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	11,628,563	8,508,606

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

INTERNATIONAL CONSOLIDATED COMPANIES, INC.
(FORMELY KNOWN AS SIGN MEDIA SYSTEMS, INC.)
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFICIT)
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Retained Earnings (Deficit)	Prepaid Expenses	Total
Balance, December 31, 2005	8,460,000	\$ 5,000	\$ 671,700	\$ (137,179)	-	\$ 539,521
Issuance of common stock for liability for stock to be issued	583,267	224,900	-	-		224,900
Net income for the year	-	-	-	231,038		231,038
Balance, December 31, 2006	9,043,267	229,900	671,700	93,859	-	995,459
Issuance of common stock for services	2,450,000	1,255,000	-	-	(150,000)	1,105,000
Issuance of common stock for compensation	300,000	90,000	-	-		90,000
Issuance of common stock for cash	773,282	487,500	-	-		487,500
Net (loss) for the period	-	-	-	(2,126,679)		(2,126,679)
Balance, December 31, 2007	12,566,549	\$ 2,062,400	\$ 671,700	\$ (2,032,820)	\$ (150,000)	\$ 551,280
	12,566,549	2,062,400	671,700	(2,032,820)	(150,000)	551,280

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

INTERNATIONAL CONSOLIDATED COMPANIES, INC.
(FORMELY KNOWN AS SIGN MEDIA SYSTEMS, INC.)
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$ (2,126,679)	\$ 231,038
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	58,693	58,693
Bad debt expense	382,525	-
Issuance of common stock for services	1,255,000	-
Issuance of common stock for compensation	90,000	-
Impairment of inventory	7,462	-
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	10,364	(393,835)
Decrease in inventory	-	17,538
(Increase) decrease in prepaid expenses and other current assets	(150,000)	-
Increase (decrease) in accounts payable and accrued expenses	(86,673)	(68,875)
Increase (decrease) in income tax payable	(45,007)	45,007
Total adjustments	1,522,364	(341,472)
Net cash provided by (used in) operating activities	(604,315)	(110,434)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	(3,281)	138
Increase in interest receivable - related party	(200,396)	(27,500)
Reduction from related parties	-	449,519
Net cash provided by (used in) investing activities	(203,677)	422,157
CASH FLOWS FROM FINANCING ACTIVITIES:		
Increase (decrease) in liability for stock to be issued	50,000	-
Payments on long-term debt	(7,410)	(18,706)
Issuance of common stock for cash	487,500	-
Increase (decrease) on debt-related party	(17,177)	8,858
Net cash (used in) financing activities	512,913	(9,848)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(295,079)	301,875
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	304,127	2,252
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 9,048	\$ 304,127

SUPPLEMENTAL DISCLOSURE OF CASH FLOW
INFORMATION:

Cash paid during the year for interest	\$	5,103	\$	505
Debt reduced to trade in on vehicle	\$	-	\$	20,491

SUPPLEMENTAL DISCLOSURE OF NON
CASH INFORMATION:

Common stock issued for compensation	\$	90,000	\$	-
Common stock issued for consulting	\$	1,255,000	\$	-
Bad dedt expense	\$	382,525	\$	-

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

NOTE 1- ORGANIZATION AND BASIS OF PRESENTATION

International Consolidation Companies, Inc (the “Company”) was previously known Sign Media Systems Inc. The Company was incorporated on January 28, 2002 as a Florida corporation. Upon incorporation, an officer of the Company contributed \$5,000 and received 1,000 shares of common stock of the Company. Effective January 1, 2003, the Company issued 7,959,000 shares of common stock in exchange of \$55,702 of net assets of Go! Agency, LLC, a Florida limited liability company (“Go Agency”), a company formed on June 20, 2000, as E Signs Plus.com, LLC, a Florida limited liability company. In this exchange, the Company assumed some debt of Go Agency and the exchange qualified as a tax-free exchange under IRC Section 351. The net assets received were valued at historical cost. The net assets of Go Agency that were exchanged for the shares of stock were as follows:

Accounts receivable	\$30,668
Fixed assets, net of depreciation	112,214
Other assets	85,264
Accounts payable	(29,242)
Notes payable	(27,338)
Other payables	(115,864)
 Total	 \$55,702

Go Agency was formed to pursue third party truck side advertising. The principal of Go Agency invested approximately \$857,000 in Go Agency pursuing this business. It became apparent that a more advanced truck side mounting system would be required and that third party truck side advertising alone would not sustain an ongoing profitable business. Go Agency determined to develop a technologically advanced mounting system and focused on a different business plan. Go Agency pre-exchange transaction was a company under common control of the major shareholder of SMS. Post-exchange transactions have not differed. Go Agency still continues to operate and is still under common control.

Go Agency and the Company developed a new and unique truck side mounting system, which utilizes a proprietary cam lever technology, which allows an advertising image to be stretched tight as a drum. Following the exchange, the Company had 7,960,000 shares of common stock issued and outstanding. The Company has developed and filed an application for a patent on its mounting systems. The cam lever technology is considered an intangible asset and has not been recorded as an asset on the Company’s consolidated balance sheet. This asset was not recorded due to the fact that there was no historic recorded value on the books of Go Agency for this asset.

On November 17, 2003, the Company entered into a merger agreement by and among American Power House, Inc., a Delaware corporation and its wholly owned subsidiary, Sign Media Systems Acquisition Company, Inc., a Florida corporation and Sign Media Systems, Inc. Pursuant to the merger agreement, Sign Media Systems merged with Sign Media Systems Acquisition Company with Sign Media Systems being the surviving corporation. The merger was completed on December 8, 2003, with the filing of Articles of Merger with the State of Florida at which time Sign Media Systems Acquisition ceased to exist and Sign Media Systems became the surviving corporation. American Powerhouse was not actively engaged in any engaged in any business engaged in any engaged in any business at the time of the merger. However, sometime prior to the merger, American Power House had acquired certain technology for the manufacture of a water machine in the form of a water cooler that manufactures water from ambient air. Prior to the merger, American Power House granted a license to Sign Media Systems Acquisition to use that technology and to manufacture and sell the water machines. The acquisition of this license was the business purpose of the merger. As consideration for the merger, Sign Media Systems issued 300,000 shares of its common stock to American Power House, 100,000 shares in the year ending December 31, 2003, and 200,000 shares in the year ending

December 31, 2004. The 300,000 shares of stock were valued at \$1.50 per share based on recent private sales of Sign Media Systems common stock. At the time of the merger the Company was in negotiations with independent dealers in Central America who sold United States products in Central and South America and who had expressed a desire to market this product in that territory. Ultimately, the Company was unable to come to a satisfactory agreement with these dealers for the sale of this product. Accordingly, the Company is not currently engaged in the business of manufacturing and sale of this product. The Company will not become engaged in the business of manufacturing and selling this product until it can identify and come to a satisfactory agreement with an independent dealer or dealers in that territory for the sale of this product. The Company cannot currently predict when or if it will identify and come to a satisfactory agreement with an independent dealer or dealers in this territory for the sale of this product. Due to these problems with the Company's plans for marketing and distribution of the water machine subsequent to the merger, the license has no carrying or book value for the periods ended December 31, 2007 and 2006 in the Company's consolidated financial statements for December 31, 2007 and 2006. There were no other material costs of the merger. There was and is no relationship between American Powerhouse and either Sign Media Systems or GO! Agency.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The condensed consolidated unaudited financial statements include the accounts of the Company and its wholly owned subsidiary. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

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

Revenue and Cost Recognition

The Company had three primary sources of revenue in 2007 and 2006:

1. The sale and installation of their mounting system;
2. The printing of advertising images to be inserted on trucks utilizing the Company's mounting systems; and
3. Third party advertising.

The Company's revenue recognition policy for these sources of revenue is as follows. The Company relies on Staff Accounting Bulletin Topic 13, in determining when recognition of revenue occurs. There are four criteria that the Company must meet when determining when revenue is realized or realizable and earned. The Company has persuasive evidence of an arrangement existing; delivery has occurred or services rendered; the price is fixed or determinable; and collectibility is reasonably assured. The Company recognizes revenue from the sale of its mounting systems and images when it completes the work and either ships or installs the products. The Company recognizes revenue from third party advertising only when it has the contractual right to receive such revenue. The Company does retain a liability to maintain systems and images that are installed for purposes of third party advertising. However, any damage caused by the operator of the truck is the responsibility of the lessor of the space and is not the Company's liability.

To date the Company has experienced no cost for maintaining these leased systems. All deposits are non-refundable.

In addition, the Company offers manufacturer's warranties. These warranties are provided by the Company and not sold. Therefore, no income is derived from the warranty itself.

Cost is recorded on the accrual basis as well, when the services are incurred rather than when payment is made.

Costs of goods sold are separated by components consistent with the revenue categories. Mounting systems, printing and advertising costs include purchases made, and payroll costs attributable to those components. Payroll costs is included for sales, engineering and warehouse personnel in cost of goods sold. Cost of overhead is de minimus. The company is contemplating new source of revenue.

Warranties

The Company offers manufacturers warranties that cover all manufacturer defects. The Company accrues warranty costs based on historical experience and management's estimates. The Company has not experienced any losses in the past two years with respect to the warranties, therefore has not accrued any liability for the nine months ended December 31, 2007 and 2006. The following table represents the Company's losses in the past two years with respect to warranties.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Warranties (continued)

	Balance at Beginning of Period	Charged to Costs and Expenses	Deductions	Balance at End of Period
Year ended December 31, 2007	\$ -	\$ -	\$ -	\$ -
Year ended December 31, 2006	\$ -	\$ -	\$ -	\$ -

Provision for Bad Debt

Under SOP 01-6 "Accounting for Certain Entities (including Entities with Trade Receivables) That Lend to or Finance the Activities of Others" the Company has intent and belief that all amounts in accounts receivable are collectible. The Company extends unsecured credit to its customers in the ordinary course of business but mitigates the associated credit risk by performing credit checks and actively pursuing past due accounts over 90 days.

Management's policy is to vigorously attempt to collect its receivables monthly. The Company estimated the amount of the allowance necessary based on a review of the aged receivables from the major customer. Management additionally instituted a policy for recording the recovery of the allowance if any in the period where it is recovered.

Bad debt expense for the years ended December 31, 2007 and 2006 was \$382,525 and \$0-, respectively.

Cash and Cash Equivalents

The Company considers all highly liquid debt instruments and other short-term investments with an initial maturity of three months or less to be cash equivalents.

The Company maintains cash and cash equivalent balances at several financial institutions that are insured by the Federal Deposit Insurance Corporation up to \$100,000.

Accounts Receivable

Accounts receivable are presented at face value, net of the allowance for doubtful accounts. The allowance for doubtful accounts are established through provisions charged against income and is maintained at a level believed adequate by management to absorb estimated bad debts based on current economic conditions.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed primarily using the straight-line method over the estimated useful life of the assets.

Furniture and fixtures	5 years
Equipment	5 years
Trucks	3 years

Advertising

Costs of advertising and marketing are expensed as incurred. Advertising and marketing costs were \$8,925 and \$0 for the year ended December 31, 2007 and 2006, respectively.

Fair Value of Financial Instruments

The carrying amount reported in the balance sheets for cash and cash equivalents, accounts receivable, accounts payable and accrued expenses approximate fair value because of the immediate or short-term maturity of these financial instruments.

Income Taxes

The provision for income taxes includes the tax effects of transactions reported in the financial statements. Deferred taxes would be recognized for differences between the basis for assets and liabilities for financial statement and income tax purposes. The major difference relates to the net operating loss carry forwards generated by sustaining deficits.

Stock-Based Compensation

Employee stock awards under the Company's compensation plans are accounted for in accordance with Accounting Principles Board Opinion No. 25 ("APB 25"), "Accounting for Stock Issued to Employees", and related interpretations. The Company provides the disclosure requirements of Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123"), and related interpretations. Stock-based awards to non-employees are accounted for under the provisions of SFAS 123 and has adopted the enhanced disclosure provisions of SFAS No. 148 "Accounting for Stock-Based Compensation - Transition and Disclosure, an amendment of SFAS No. 123".

The Company measures compensation expense for its employee stock-based compensation using the intrinsic-value method. Under the intrinsic-value method of accounting for stock-based compensation, when the exercise price of options granted to employees is less than the estimated fair value of the underlying stock on the date of grant, deferred compensation is recognized and is amortized to compensation expense over the applicable vesting period. In each of the periods presented, the vesting period was the period in which the options were granted. All options were expensed to compensation in the period granted rather than the exercise date.

The Company measures compensation expense for its non-employee stock-based compensation under the Financial Accounting Standards Board (FASB) Emerging Issues Task Force (EITF) Issue No. 96-18, "Accounting for Equity Instruments that are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services".

The fair value of the option issued is used to measure the transaction, as this is more reliable than the fair value of the services received. The fair value is measured at the value of the Company's common stock on the date that the commitment for performance by the counterparty has been reached or the counterparty's performance is complete. The fair value of the equity instrument is charged directly to compensation expense and additional paid-in capital.

NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income (Loss) per Share of Common Stock

Historical net income (loss) per common share is computed using the weighted-average number of common shares outstanding. Diluted earnings per share (EPS) include additional dilution from common stock equivalents, such as stock issuable pursuant to the exercise of stock options and warrants. Common stock equivalents are not included in the computation of diluted earnings per share when the Company reports a loss because to do so would be antidilutive for the periods presented.

The following is a reconciliation of the computation for basic and diluted EPS:

	December 31,	
	2007	2006
Net income (loss)	\$ (2,126,679)	\$ 231,038
Weighted-average common shares outstanding		
Basic	11,628,563	8,508,606
Weighted-average common stock equivalents		
Stock options	-	-
Warrants	-	-
Weighted-average common shares outstanding		
Diluted	11,628,563	8,508,606

Recent Accounting Pronouncements

In February 2006, the FASB issued SFAS No. 155, "Accounting for Certain Hybrid Financial Instruments," an amendment of FASB Statements No. 133 and 140. SFAS No. 155 resolves issues addressed in SFAS No. 133 Implementation Issue No. D1, "Application of Statement 133 to Beneficial Interests in Securitized Financial Assets," and permits fair value measurement for any hybrid financial instrument that contains an embedded derivative that otherwise would require bifurcation, clarifies which interest-only strips and principal-only strips are not subject to the requirements of SFAS No. 133, establishes a requirement to evaluate interests in securitized financial assets to identify interests that are freestanding derivatives or that are hybrid financial instruments that contain an embedded derivative requiring bifurcation, clarifies that concentrations of credit risk in the form of subordination are not embedded derivatives and amends SFAS No. 140 to eliminate the prohibition on a qualifying special-purpose entity from holding a derivative financial instrument that pertains to a beneficial interest other than another derivative financial instrument. SFAS No. 155 is effective for all financial instruments acquired or issued after the beginning of the first fiscal year that begins after September 15, 2006. The implementation of this standard did not have a material impact on the Company's financial position, results of operations, or cash flows.

In March 2006, the FASB issued SFAS No. 156, "Accounting for Servicing of Financial Assets," an amendment of FASB Statement No. 140. SFAS No. 156 requires an entity to recognize a servicing asset or liability each time it undertakes an obligation to service a financial asset by entering into a service contract under a transfer of the servicer's financial assets that meets the requirements for sale accounting, a transfer of the servicer's financial assets to a

qualified special-purpose entity in a guaranteed mortgage securitization in which the transferor retains all of the resulting securities and classifies them as either available-for-sale or trading securities in accordance with SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities" and an acquisition or assumption of an obligation to service a financial asset that does not relate to financial assets of the servicer or its consolidated affiliates. Additionally, SFAS No. 156 requires all separately recognized servicing assets and servicing liabilities to be initially measured at fair value, permits an entity to choose either the use of an amortization or fair value method for subsequent measurements, permits at initial adoption a one-time reclassification of available-for-sale securities to trading securities by entities with recognized servicing rights and requires separate presentation of servicing assets and liabilities subsequently measured at fair value and additional disclosures for all separately recognized servicing assets and liabilities. SFAS No. 156 is effective for transactions entered into after the beginning of the first fiscal year that begins after September 15, 2006. The implementation of this standard did not have a material impact on the Company's financial position, results of operations, or cash flows.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements," which provides a definition of fair value, establishes a framework for measuring fair value and requires expanded disclosures about fair value measurements. SFAS No. 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007 and interim periods within those fiscal years. The provisions of SFAS No. 157 should be applied prospectively. Management is assessing the potential impact on its financial condition and results of operations.

In September 2006, the FASB issued SFAS No. 158, "Employers' Accounting for Defined Benefit Pension and Other Postretirement Plans," which amends SFAS No. 87, "Employers' Accounting for Pensions," SFAS No. 88, "Employers' Accounting for Settlements and Curtailments of Defined Benefit Plans and for Termination Benefits," SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions," and SFAS No. 132R, "Employers' Disclosures about Pensions and Other Postretirement Benefits (revised 2003)." This statement requires companies to recognize an asset or liability for the overfunded or underfunded status of their benefit plans in their financial statements. SFAS No. 158 also requires the measurement date for plan assets and liabilities to coincide with the sponsor's year-end. The standard provides two transition alternatives related to the change in measurement date provisions. The recognition of an asset and liability related to the funded status provision is effective for fiscal years ending after December 15, 2006 and the change in measurement date provisions is effective for fiscal years ending after December 15, 2008. This pronouncement has no effect on the Company at this time

In February, 2007 the FASB issued SFAS No. 159, "The Fair Value Option for Financial Assets and Liabilities," including an amendment to SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities," applicable to all entities with available-for-sale and trading securities. SFAS No. 159 permits entities to measure many financial instruments and certain other items at fair value. Eligible items include recognized financial assets and liabilities other than investments or interests which an entity is required to consolidate, financial assets or liabilities recognized under leases, deposit liabilities of financial institutions, or financial instruments that are classified by the issuer as a component of shareholders' equity. Also eligible are firm commitments that would otherwise not be recognized at inception and that involve only financial instruments, non-financial insurance contracts and warranties that the issuer can settle by paying a third party to provide those goods or services, and host financial instruments that result from separation of an embedded non-financial derivative instrument from a non-financial hybrid instrument. SFAS No. 159 is effective as of the beginning of an entity's fiscal year that begins after November 15, 2007. This pronouncement has no effect on the Company at this time.

NOTE 3- ACCOUNTS RECEIVABLE

Accounts receivable consists of the following at December 31, 2007:

	2007
Accounts receivable	\$ 946

Less allownace for doubtful accounts	-
Total accounts receivable, net	\$ 946

NOTE 4- PROPERTY AND EQUIPMENT

Property and equipment consists of the following at December 31, 2007:

	2007
Equipment	\$ 128,745
Furniture and Fixtures	112,022
Transportation Equipment	24,621
	265,388
Less: Accumulated Depreciation	225,329
Net Book Value	\$ 40,059

NOTE 5- PREPAID EXPENSES

The company issued 300,000 shares of stock to a consultant for services amortized over a six-month period. The services were recognized at FMV of the stock (\$180,000). At December 31, 2007 \$150,000 was considered prepaid.

NOTE 6- RELATED PARTY TRANSACTIONS

On January 28, 2002, Sign Media Systems, Inc. was formed as a Florida Corporation but did not begin business operations until April 2002. Most of the revenue that Sign Media Systems, Inc. earned was contract work with Go! Agency, LLC, a Florida limited liability company, a related party. Sign Media Systems, Inc. would contract Go! Agency, LLC to handle and complete jobs. There was no additional revenue or expense added from one entity to the other.

On January 3, 2003, the Company entered into a loan agreement with Olympus Leasing Company, a related party, and in connection therewith executed a promissory note with a future advance clause in favor of Olympus Leasing, whereby Olympus Leasing agreed to loan the Company up to a maximum of \$1,000,000 for a period of three years, with interest accruing on the unpaid balance at 18% per annum, payable interest only monthly, with the entire unpaid balance due and payable in full on January 3, 2006. As of December 31, 2007 and 2006, there was \$0 and \$0 due to Olympus, respectively.

On June 28, 2005, the Company loaned \$1,200,000 to Olympus Leasing Company, a related party. At June 28, 2005, Antonio F. Uccello, III, was, and is now the President, Chairman, a minority owner of the issued and outstanding shares of stock of Olympus Leasing and reports to its board of directors. Antonio F. Uccello, III, was and is one of the Company's officers and directors and an indirect shareholder of Sign Media Systems, Inc. The loan is for a period of five years with interest accruing on the unpaid balance at 5.3% per annum payable annually, with the entire principle and unpaid interest due and payable in full on June 28, 2010.

There is no prepayment penalty. The purpose of the loan was to obtain a higher interest rate than is currently available at traditional banking institutions. Olympus Leasing's primary business is making secured loans to chiropractic physicians throughout the United States for the purchase of chiropractic adjustment tables. The loans are generally for less than \$3,000 each and are secured by a first lien on each chiropractic adjustment table. The chiropractic physician personally guarantees each loan. The rate of return on the Olympus Leasing loans is between 15% and 25% per annum. To date, Olympus Leasing has suffered no loss from any loan to a chiropractic physician for the purchase of a chiropractic adjustment table. There is an excellent market for the re-sale of tables, which may be the subject of a foreclosure. Olympus Leasing currently has in excess of \$1,000,000 in outstanding finance receivables from chiropractic physicians secured by a first lien on each chiropractic adjustment table.

The remaining balance that was due from related party on the balance sheet was \$616,527 including interest on December 31, 2007.

NOTE 7- SHORT-TERM DEBT

Short-term debt consists of an installment note with GMAC Finance. Balance due on December 31, 2007 was \$4,578.

NOTE 8- PROVISION FOR INCOME TAXES

There was no provision for income taxes during the year ended December 31, 2007.

In conformity with SFAS No. 109, deferred tax assets and liabilities are classified based on the financial reporting classification of the related assets and liabilities, which give rise to temporary book/tax differences. Deferred taxes were immaterial at December 31, 2007.

At December 31, 2007, the deferred tax assets consist of the following:

	2007
Deferred taxes due to net operating loss carryforwards	\$ (609,846)
Less: Valuation allowance	609,846
Net deferred tax asset	\$ -

Additionally, the Company established a valuation allowance equal to the full amount of the deferred tax assets due to the uncertainty of the utilization of the operating losses in future periods.

NOTE 9- COMMITMENTS AND CONTINGENCIES

Rent expense paid to a related party for the year ended December 31, 2007 and 2006 was \$21,806, and \$30,000, respectively. There is no formal lease as it expired in November of 2007 - lease payments are month to month.

NOTE 10- CONCENTRATION OF CREDIT RISK

A material part of the Company's business was dependent upon one key customer throughout its history. The Company is no longer doing business with that customer which represented 99% of their revenue.

NOTE 11- STOCKHOLDERS' EQUITY

As of December 31, 2007 and 2006, there were 100,000,000 shares of common stock authorized.

As of December 31, 2007 and 2006, there were 12,566,549 and 8,460,000 shares of common stock issued and outstanding, respectively.

The following is a list of the common stock transactions during the year ended December 31, 2007:

On January 10, 2007, the Company issued 150,000 shares of its common stock at a fair market value of \$75,000, for services provided to the Company.

On January 12, 2007, the Company issued 2,000,000 shares of its common stock at a fair market value of \$1,000,000, for consulting services provided to the Company.

On February 8, 2007, the Company issued 300,000 shares of its common stock at a fair market value of \$90,000, as additional compensation for an employee's past services to the Company.

On July 12, 2007, the Company issued 14,706 shares of its common stock for \$10,000 in cash.

On July 23, 2007, the Company issued 36,765 share of its common stock for \$25,000 in cash.

On July 31, 2007, the Company issued 110,294 shares of its common stock for \$75,000 in cash.

On August 13, 2007, the Company issued 73,529 shares of its common stock for \$50,000 in cash.

On August 16, 2007, the Company issued 148,897 shares of its common stock for \$101,250 in cash.

On August 17, 2007, the Company issued 148,897 share of its common stock for \$101,250 in cash.

ITEM 8A. CONTROLS AND PROCEDURES

(a) Evaluation of Disclosure Controls and Procedures

The term "disclosure controls and procedures" is defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). This term refers to the controls and procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files under the Exchange Act is recorded, processed, summarized, and reported within the required time periods. Our Chief Executive Officer and our Chief Financial Officer have evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this annual report. They have concluded that, as of that date, our disclosure controls and procedures were effective at ensuring that required information will be disclosed on a timely basis in our reports filed under the Exchange Act.

(b) Changes in Internal Control over Financial Reporting

No change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

ITEM 8B. OTHER INFORMATION

None.

PART III

ITEM 9. DIRECTORS, EXECUTIVE OFFICERS, PROMOTERS AND CONTROL PERSONS COMPLIANCE WITH SECTION 16(a) OF THE EXCHANGE ACT

The Company's executive officers, directors and key employees and their business experience follows:

Name and Age	Position	Term
Antonio F. Uccello, III Age 38	Chairman/President/Chief Executive Officer/Chief Financial Officer	January 28, 2002 to present
Dennis Derr Age 49	Director	August 14, 2007 to present
Richard Dorfman Age 56	Director	March 19, 2008 to present

Antonio F. Uccello, III

Mr. Uccello is the founder, President, Chief Executive Officer, Chairman of the Board of Directors and the Chief Financial Officer of the Company. Mr. Uccello attended college at the University of Connecticut and took graduate courses at Hunter College in New York City. Mr. Uccello has been in the securities industry for the last 13 years. Mr. Uccello holds a Series 65, Registered Investment Advisor license from the National Association of Securities Dealers. From June, 1996, to February, 2001, Mr. Uccello was a branch manager for Brookstreet Securities. Brookstreet Securities is a registered broker-dealer. Mr. Uccello left Brookstreet Securities in February, 2001, to establish Chelsea

Capital Management, LLC where he acts a registered investment advisor. Both Chelsea and Mr. Uccello are registered as investment advisors with The State of Florida, Department of Banking and Finance and the State of Connecticut Department of Banking, Division of Securities and Business Investments. Mr. Uccello is the owner of 99% of the membership interests and the sole manager of Chelsea and as such is the sole owner and sole control person of Chelsea. Mr. Uccello is a minority member and the manager of Hawkeye Real Estate, LLC and is the President of and a minority shareholder in Olympus Leasing Company, both of which are related parties to us. Hawkeye Real Estate is a real estate developer and Olympus Leasing is engage in the business of making commercial loans. Mr. Uccello will devote 80% of his time to us. Mr. Uccello has extensive experience in finance and is responsible for the over all profitability of the Company.

Dennis D. Derr

Mr. Derr is a Director of the Company. Mr. Derr received a Bachelor of Science in Finance from Colorado State University in 1980 and a Master of Science in Finance from Colorado State University in 1984. From 2004 to present, Mr. Derr has been an independent consultant to various businesses in the areas of strategic planning, business capture and market development. Mr. Derr served as Executive Vice President of Avisys, Incorporated, located in Austin, TX from 1996 2004. As a corporate officer and major shareholder at Avisys, Incorporated, Mr. Derr was involved in all aspects of corporate management and governance. He was responsible to the President to formulate effective business development strategies within defense and commercial markets and across diverse aircraft, avionics, information and electronic warfare products for Avisys, Incorporated. He assisted in directing and implementing overall corporate strategy and culture and had primary responsibility for identification and acquisition of corporate resources. Mr. Derr also had responsibility for the management of contracts and legal matters. He developed, executed and administered corporate policies with respect to legal, contractual, business, and personnel matters. Mr. Derr also performed as Vice President of Business Development and was the corporate lead during the 2004 acquisition of L-3 Communications by Avisys, Incorporated. From 1992 to 1996, Mr. Derr served as Director of Business Development for Marconi Tracor Flight Systems. As Vice President of Business Development for Marconi Tracor Flight Systems, Mr. Derr promoted expansion of new product base and customer base while continuing to effectively market and capture follow-on business. He led an electronic warfare products capture. Mr. Derr led successful proposal teams for programs of all sizes and technologies, from \$50,000 change orders to \$50,000,000 systems. As part of a team assigned to special programs work, Mr. Derr performed a dual role with the management and administration of a \$20,000,000 portfolio of electronic warfare hardware.

Richard Dorfman

From 2003 to the present, Mr. Dorfman has worked as an independent consultant specializing in the maximization of media rights, primarily in the sports and entertainment fields. Consulting services include strategic planning, marketing, sales and servicing of television, 3G/Wireless and other media rights for sports rights holders, governing bodies and media outlets on a local or global basis. Mr. Dorfman is also on the board of Emergem Natural Resources Company.

During 2007 Mr. Stephen MacNamara and Mr. Stephen Seidensticker served as directors. Mr. MacNamara resigned effective May 5, 2007, for personal reasons. Mr. Seidensticker resigned March 24, 2008. Neither Mr. MacNamara nor Mr. Seidensticker had any disputes with the Company.

Family Relationships

There are no current family relationships among the Company's officers and directors. Prior to February 2, 2004 Abraham Uccello was our President and Chief Executive Officer and Salvatore Uccello was our Vice President of Engineering. Antonio F. Uccello, the current President and Chief Executive Officer and Abraham Uccello are brothers and Salvatore Uccello is their father. Abraham Uccello and Salvatore Uccello resigned on February 2, 2004.

Employment Agreements

There are no employment agreements between us and our executive officers and key personnel.

Code of Ethics

We have adopted a code of ethics which is a document of conduct we establish for ourselves to help us and our employees comply with laws and good ethical practices.

ITEM 10. EXECUTIVE COMPENSATION

Set forth below are the annual cash compensation and restricted stock grants paid to the Company's executive officers for the period ended December 31, 2006.

Summary Compensation Table 2006

Name and Principal Position	Year	Annual Compensation		Long Term Compensation		
		Salary \$	Other Annual Compensation \$	\$ All Other Compensation	# Compensation # \$ (1)	
Antonio F. Uccello, III Chief Financial Officer	2006	125,000	0	0	0	11,194
Andrei A. Troubeev Vice President, Engineering	2006	41,200	0	0	0	11,721

(1) All Other Compensation consists solely of health insurance.

Summary Compensation Table 2007

Name and Principal Position	Year	Annual Compensation		Long Term Compensation		
		Salary \$	Other Annual Compensation \$	\$ All Other Compensation	# Compensation # \$ (1)	
Antonio F. Uccello, III Chief Financial Officer	2007	122,000	0	0	0	11,194
Andrei A. Troubeev Vice President, Engineering	2007	27,235	0	0	0	-0-

None of the directors have been paid any fees for acting as such and we do not anticipate paying any directors' fees in the foreseeable future.

Other than as set forth in the foregoing table, with footnotes, there is no other plan, contract, authorization or arrangement, whether or not set forth in any formal documents, pursuant to which the following may be received by any or our officers or directors: cash, stock, restricted stock or restricted stock units, phantom stock, stock options, stock appreciation rights (“SARs”), stock options in tandem with SARs, warrants, convertible securities, performance units and performance shares, and similar instruments.

ITEM 11. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following tables set forth the security ownership as of December 31, 2007 by: (i) each person (or group of affiliated persons) who, to our knowledge, is the beneficial owner of five percent or more of our outstanding common stock, (ii) each named director and each named executive officer who, to our knowledge, is the beneficial owner of our outstanding common stock, and each of the foregoing as a group.

SECURITY OWNERSHIP
OF CERTAIN BENEFICIAL OWNERS

Title of Class	Name and Address Of Beneficial Owner	Amount and Nature Of Beneficial Owner	Percent of Class
Common Stock, No Par Value	Antonio F. Uccello, III(1) 2100 19th Street Sarasota, FL 34234	4,059,600(1)	32%(1)
Common Stock, No Par Value	Abraham Uccello(1) 637 Mecca Dr. Sarasota, FL 34234	2,388,000(1)	19%(1)
Common Stock, No Par Value	Estate of Salvatore Uccello(1)(2) 6527 Waterford Circle Sarasota, FL 34238	716,400(1)	6%(1)
Common Stock, No Par Value	Roger P. Nelson(1) 14 Giovanni Drive Waterford, CT 06385	796,000	6%(1)
Totals for Class as a Whole		7,960,000(1)	63%

(1) Pursuant to Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended, beneficial ownership of a security consists of sole or shared voting power (including the power to vote or direct the voting) and/or sole or shared investment power (including the power to dispose or direct the disposition) with respect to a security whether through a contract, arrangement, understanding, relationship or otherwise. All of the shares described in the foregoing table are owned by GO! Agency, LLC, a Florida limited liability company whose address is 4744 Spinnaker Drive Bradenton, FL 34208. The individuals listed are the members of GO! Agency and the shares of common stock reflected for each person in the foregoing table reflect each such person's percentage ownership of GO! Agency. Antonio F. Uccello, III, is the manager and the 51% owner of GO! Agency and, therefore, pursuant the terms of GO! Agency's Operating Agreement, has the sole power, subject to his fiduciary duties to the other GO! Agency members, to vote, or dispose of or direct the disposition of all the shares of Sign Media System, Inc.'s common stock beneficially owned by GO! Agency. Antonio F. Uccello, III, has absolute control of us by virtue of his voting control of 7,960,000 shares of our common stock.

(2) The Estate of Salvatore Uccello was established due to his passing in February of 2007.

SECURITY OWNERSHIP
OF MANAGEMENT

(1)	(2)	(3)	(4)
Title of Class	Name and Address Of Beneficial Owner	Amount and Nature Of Beneficial Owner	Percent of Class
Common Stock, No Par Value	Antonio F. Uccello, III(1) 2100 19th Street Sarasota, FL 34234	4,059,600(1)	45%(1)
Common Stock, No Par Value	Stephen R. MacNamara(2) 1071 Meyers Park Drive Tallahassee, FL 32301	30,000	.003%
Common Stock, No Par Value	Thomas Bachman(3) 2960 S. McCall Road, Ste 210 Inglewood, FL 34224	-	-
Common Stock, No Par Value	Andrei A. Troubeev(4) 7736 37th Court E. Sarasota, FL	-	-
Common Stock, No Par Value	Charles A. Pearson, III(5) 6138 Turnbury Park Dr. Apt. 6301 Sarasota, FL 34234	-	-
Totals for Class as a Whole		4,089,600	45%

(1) Antonio F. Uccello, III is our Chairman, President, Chief Executive Officer, and Chief Financial Officer. Antonio F. Uccello, III is the 51% owner and manager of GO! Agency, LLC, a Florida limited liability company. GO! Agency owns 7,960,000 shares of the common stock of Sign Media Systems, Inc. which represents 94% of the total of the issued and outstanding shares of common stock. Antonio F. Uccello, III, as the manager and the 51% owner of GO! Agency, pursuant the terms of GO! Agency's Operating Agreement, has the sole power, subject to his fiduciary duties to the other GO! Agency members, to vote, or dispose of or direct the disposition of all the shares of Sign Media System, Inc.'s common stock beneficially owned by GO! Agency. Antonio F. Uccello, III, has absolute control of us by virtue of his voting control of 7,960,000 shares of our common stock.

(2) Stephen R. MacNamara resigned as a director.

(3) Thomas Bachman resigned as a Director.

(4) Andrei A. Troubeev is no longer with the Company.

(5) Charles A. Pearson, III is our Vice President of Sales and Marketing. Mr. Pearson resigned effective August 5, 2005, for personal reasons.

ITEM 12. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

We were formed as a Florida corporation with the name Sign Media Systems, Inc. on January 28, 2002, but did not begin business operations until April 2002. Most of the revenue that we earned was contract work with GO! Agency,

LLC, a Florida limited liability company, a related party. We would contract with GO! Agency to handle and complete jobs. There was no additional revenue or expense added from one entity to the other. Throughout 2002, we maintained Due To/From accounts with GO! Agency to properly reflect the related party transactions. As of December 31, 2003, we had an outstanding liability in the amount of \$4,739 due to GO! Agency and this amount is reflected in our consolidated balance sheet for the year ended December 31, 2003, as current portion of debt-related parties. As of December 31, 2004, we had an outstanding liability in the amount of \$12,878 due to GO! Agency and this amount is reflected in our consolidated balance sheet for the year ended December 31, 2004, as current portion of debt-related parties. No payment or repayment terms had been established as of December 31, 2004. The total revenue derived from GO! Agency for the period January 28, 2002 (Inception) through December 31, 2002 was \$143,775.

In January, 2002, Antonio F. Uccello, III, who is considered one of our promoters, and is a related party, contributed \$5,000 to us as our initial paid-in capital in exchange for 1,000 shares of our common stock. Subsequently, in January 2003, Antonio F. Uccello, III, transferred his 1,000 shares of our common stock to GO! Agency, LLC.

On September 24, 2002, we entered into a Loan Agreement with GO! AGENCY, LLC, a related party, and in connection therewith executed a Promissory Note with a future advance clause (1) in favor of GO! Agency whereby GO! Agency agreed to loan us up to a maximum of \$100,000 for a period of three years, with interest accruing on the unpaid balance at 18% per annum, payable interest only monthly, with the entire unpaid balance due and payable in full on September 15, 2005. At September 24, 2002, Antonio F. Uccello, III, was our sole shareholder, one of our officers and directors and was the owner of 51% of the economic interest of GO! Agency. GO! Agency is the owner of 94% of the issued and outstanding shares of our stock. At December 31, 2004, GO! Agency had loaned us a total of \$96,883 pursuant to the Loan Agreement and the Promissory Note and we were indebted to GO! Agency in such amount as of that date and that amount is reflected in our consolidated balance sheet for the year ended December 31, 2004, as current portion of debt-related parties. As a result of payments to GO! Agency, the balance due on the debt to GO! Agency is \$8,319.

On November 1, 2002, we entered into a lease as the lessee with Hawkeye Real Estate, LLC, a Florida limited liability company, as lessor for 6,300 square feet of mixed office and warehouse space at 2100 19th Street, Sarasota, FL 34234 for a period of five years beginning December 1, 2002 and continuing until November 30, 2007 for a fixed monthly rental of \$2,500 per month. Effective January 1, 2005 we amended the lease to obtain access to additional parking for our vehicles, employee vehicles and customer vehicles. The amended lease now provides for a fixed monthly rental of \$4,195 per month. Antonio F. Uccello, III, is the manager and a member of Hawkeye Real Estate, LLC and is one of our officers and directors and an indirect shareholder of Sign Media Systems, Inc. We believe that we are paying fair market value for the rent on this property. Hawkeye Real Estate is a real estate developer. In December, 2005, Hawkeye Real Estate, LLC, the owner of our previous premises, requested that we relocate to smaller premises in the same complex as it had found a buyer for the existing premises. As an inducement to vacate the existing premises, Hawkeye Real Estate agreed to temporarily provide a 2,000 square foot facility of mixed office and warehouse space and 5,000 square feet of outside storage space at the same address in the same complex for a \$0.00 monthly rental until it could obtain the necessary permits and construct new custom premises for us in the same complex and lease us the newly constructed space on terms substantially similar to the original lease. We estimate it will take two years to obtain the necessary permits and build out the custom premises and during that two-year period we are occupying our premises rent-free.

Effective January 1, 2003, GO! AGENCY, LLC, which is considered one of our promoters, and is a related party, transferred all of its assets which together had an original cost basis of \$300,000, to us in exchange for us issuing it 7,959,000 shares of our common stock. We valued the assets at \$55,702 which was their historical cost. Please refer to Note 1 of our consolidated financial statements for the years ended December 31, 2003 and 2002 contained elsewhere in this report. GO! AGENCY, LLC is controlled by Antonio F. Uccello, III which means Mr. Uccello has absolute control of us by virtue of his voting control of 7,960,000 of our shares of common stock.

On January 3, 2003, we entered into a Loan Agreement with Olympus Leasing Company, a related party, and in connection therewith executed a Promissory Note with a future advance clause (1) in favor of Olympus Leasing, whereby Olympus Leasing agreed to loan us up to a maximum of \$1,000,000 for a period of three years, with interest accruing on the unpaid balance at 18% per annum, payable interest only monthly, with the entire unpaid balance due and payable in full on January 3, 2006. At December 31, 2003, Olympus Leasing had loaned us a total of \$350,521 pursuant to the Loan Agreement and the Promissory Note and we were indebted to Olympus Leasing in such amount as of that date. At December 31, 2004 we were indebted to Olympus Leasing in the amount of \$107,190 and that amount is reflected in our consolidated balance sheet for the year ended December 31, 2004, as long-term debt-related parties. At January 3, 2003, Antonio F. Uccello, III, was, and is today, the President, Chairman and owner of 45% of the issued and outstanding shares of stock of Olympus Leasing. Antonio F. Uccello, III, and was and is one of our officers and directors and an indirect shareholder of Sign Media Systems, Inc. Olympus Leasing is engaged in the business of providing commercial financing. Olympus Leasing has outstanding financing agreements with numerous other unrelated parties. The liability to Olympus Leasing Company as of the end of the year ending December 31, 2005 has been fully satisfied.

On June 28, 2005, the Company loaned \$1,200,000 to Olympus Leasing Company, a related party. At June 28, 2005, Antonio F. Uccello, III, was, and is now the President, Chairman, a minority owner of the issued and outstanding shares of stock of Olympus Leasing and reports to its board of directors. Antonio F. Uccello, III, was and is one of the Company's officers and directors and an indirect shareholder of Sign Media Systems, Inc. The loan is for a period of five years with interest accruing on the unpaid balance at 5.3% per annum payable annually, with the entire principle and unpaid interest due and payable in full on June 28, 2010. There is no prepayment penalty. The purpose of the loan was to obtain a higher interest rate than is currently available at traditional banking institutions. Olympus Leasing's primary business is making secured loans to chiropractic physicians throughout the United States for the purchase of chiropractic adjustment tables. The loans are generally for less than \$3,000 each and are secured by a first lien on each chiropractic adjustment table. The chiropractic physician personally guarantees each loan. The rate of return on the Olympus Leasing loans is between 15% and 25% per annum. To date, Olympus Leasing has suffered no loss from any loan to a chiropractic physician for the purchase of a chiropractic adjustment table. There is an excellent market for the re-sale of tables, which may be the subject of a foreclosure. Olympus Leasing currently has in excess of \$1,000,000 in outstanding finance receivables from chiropractic physicians secured by a first lien on each chiropractic adjustment table.

(1) A future advance clause as used herein is a provision in a promissory note that allows for an additional advance of funds by the lender to the borrower and for future advances of funds by the lender to the borrower up to the maximum amount stated in the promissory note all of which advances of funds are subject to the terms and conditions of the promissory note.

ITEM 13. EXHIBITS

INDEX TO EXHIBITS.

E x h i b i t Number	Description of Exhibit
3.1	Amended Articles of Incorporation of Sign Media Systems, Inc. Incorporated by reference from our Form 10-SB filed as of May 4, 2004.
3.2	By-Laws of Sign Media Systems, Inc. Incorporated by reference from our Form 10-SB filed as of May 4, 2004.
4.1	Specimen Certificate of the Common Stock of Sign Media Systems, Inc. Incorporated by reference from our Form 10-SB filed as of May 4, 2004.
10.1	Agreement and Plan of Merger Among American Powerhouse, Inc., Sign Media Systems Acquisition Company, Inc. and Sign Media Systems, Inc. Incorporated by reference from our Form 10-SB/A Third Amendment filed as of February 9, 2005.
10.2	Distribution Agreement between Sign Media Systems, Inc. and Applied Advertising Network, LLC. Incorporated by reference from our Form 10-SB/A Third Amendment filed as of February 9, 2005.
10.3	Promissory Note and Loan Agreement between GO! AGENCY, LLC and Sign Media Systems, Inc. Incorporated by reference from our Form 10-SB/A

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Third Amendment filed as of February 9, 2005.

- 10.4 Promissory Note and Loan Agreement between Olympus Leasing Company and Sign Media Systems, Inc. Incorporated by reference from our Form 10-SB/A Third Amendment filed as of February 9, 2005.
- 10.5 License Agreement for the acquisition of technology. Incorporated by reference from our Form 10-SB/A Fourth amendment filed as of April 1, 2005.
- 10.6 Contribution Agreement. Incorporated by reference from our Form 10-SB/A Fourth amendment filed as of April 1, 2005.
- 14.1 Code of Ethics. Incorporated by reference from our Form 10-SB filed as of May 4, 2004.
- 16.4 Letter on change in certifying accountant. Incorporated by reference from our Form 10-SB/A Sixth Amendment filed as of September 9, 2005.
- 21. Our Subsidiaries. Incorporated by reference from our Form 10-SB filed as of May 4, 2004.
- 31.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 31.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 32.1 Certification of Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 32.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The aggregate fees billed by our independent auditors, Bagell Josephs & Company, LLC, for the years ended December 31, 2005 and 2004, are as follows:

	2007	2006
Audit Fees	\$ -	\$ 41,000
Audit Related Fees	\$ -0-	\$ -0-
Tax Fees	\$ -0-	\$ -0-
All Other Fees	\$ -0-	\$ -0-

SIGNATURES

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

SIGN MEDIA SYSTEMS, INC.

(Registrant)

/s/ Antonio F. Uccello, III

Antonio F. Uccello, III

Chief Executive Officer, President, Chief Financial Officer,

Chairman of the Board of Directors

March 31, 2008