

Chris: Good day everyone and welcome to today's Signal Bay, Inc. third quarter report conference call. At this time, all participants are in a listen only mode. Later you will have the opportunity to ask questions during the question and answer session. You may register to ask a question at any time by pressing star and one on your touchtone phone. Please note that this call may be recorded. It is now my pleasure to turn the conference over to William Waldrop. Please go ahead, sir.

William Waldrop: Thank you, Chris. Hello and welcome to our third quarter financial results conference call. Joining us today to answer your questions along with myself is Christian Carnell our Chief Financial Officer. As you listen to these conference calls, we will encourage you to have our press release and recent financial in front of you which will include our financial results as well as metrics and commentary on the third quarter. Please note unless otherwise stated, all comparisons in this call will be against our results for the comparable period of 2016. Our comments and responses to your questions reflect management views as of today, August 24, 2017, only and include forward looking statements. Actual results may differ materially. Additional information about factors that could potentially impact our financial results is included in today's press release and our files with the SEC including our most recent year end report 10K and subsequent filings. During this call, we may discuss certain non-GAAP financial measures in our press release and our filings with the SEC. Each of which posted on our IR website. You will find additional disclosures regarding these non-GAAP measures including reconciliations of these measures with noncomparable GAAP measures. Our guidance incorporates the order trend that we've seen to date and what we believe will be appropriate assumptions. Our results are inherently unpredictable and may be materially affected by many factors including fluctuations and changes in both national and global economic conditions, customer spending habits, world events, rate of growth, etc, as well as various details in our filing with the SEC. Our guidance also assumes among other things we don't include an additional business acquisitions, investments, restructurings or legal settlements. It is not possible to accurately predict demand for our services and therefore, actual results may and could materially differ from our guidance.

With that, we'll move on to discussion some of our financial successes and results for the prior quarter. Also too, as mentioned, we will do a Q&A at the end of the session as well in the meantime if you have any questions in the interim, please feel free to e-mail those to investors@signalbay.com.

At this time, I would like to turn the call over to Christian Carnell.

Christian Carnell: Thank you, Will. As we move into some financial results for the three and nine months ended June 30, 2017, please keep in mind that in addition to the Q&A we will have at the end of the call questions can be e-mailed to investors@signalbay.com. Also, we will be discussing some forward-looking metrics and as Will stated, those metrics may not be attainable and may have materially different results.

Turning to our results. Revenues for the three months ended June 30, 2017 were approximately \$770,000. An increase of \$660,000 over the same quarter in 2016. On a pro forma basis, adjusting for the timing of acquisitions that have occurred this year, revenue grew \$634,000. Revenues for the nine months ended June 30, 2017 were approximately \$2.3 million, an increase of approximately \$1.9 million over the same period in 2016. Again, on a pro forma basis, which is adjusting for the timing of acquisitions that have been completed this year, revenue grew approximately \$1.8 million.

The leverage we were able to obtain from fixed overhead costs included in costs of goods sold such as depreciation and amortization of intangible assets allows us to improve gross margins during the three and nine months ended June 30, 2017.

During the three months ended June 30, 2016, gross margins were (\$15,000) or approximately 13% of revenue compared to \$123,000 in the current quarter or approximately 16% of revenue. Gross margins were (\$23,000) or approximately 6% of revenue during the nine months ended June 30, 2016 compared to \$420,000 or 18% of revenue during the nine months ended June 30, 2017.

Our total losses from operations were \$173,000 during the three months ended June 30, 2016 which included approximately \$10,000 of stock based compensation. Adjusting for this amount loss from operations were approximately \$163,000 or 140% of revenue. Operating losses during the current quarter were approximately \$500,000 of which \$110,000 is attributable to stock based compensation. Adjusting for this amount, losses from operations excluding stock based compensation were \$389,000 or about 50% of revenue.

During the nine months ended June 30, 2016 we had losses from operations of \$545,000 or \$452,000 when adjusted for stock based compensation which represented 115% of revenue. During the same period in 2017 we had losses from operations of approximately \$1.2 million or \$800,000 when adjusted for stock based compensation, representing 36% of revenues.

Clearly, we're pretty proud of the growth we've had in the leverage. As you can see, adjusting for stock based compensation represents a pretty significant improvement in our losses from operations as we strive for profitability.

With that, I'd like to turn the call back over to Will for an update on current corporate ongoings.

William Waldrop: Thank you, Christian. As you're aware, we've had a pretty busy quarter to date. A few items I wanted to highlight and reflect are number one, we announced that we completed the acquisition of Viridis Analytics in Massachusetts. That enables EVIO Labs to now have a true national

footprint. Massachusetts, as most folks are aware, has had a medical program rolled out since 2015 and within the last fiscal year, on the last ballot initiative recreation was passed and now the Massachusetts's Marijuana Division is currently moving forward with rolling out a comprehensive medical and recreational program which is currently targeted for July 1, 2018. Which we had discussed previously in press releases, currently there are 11 licensed medical marijuana companies in the state of Massachusetts. There are currently over 100 that are pending licensing at the current time. So as a company, we definitely felt it was a right opportunity to acquire a lab that has been servicing the existing marketplace, that is fully capable in servicing the entire market that continues to grow, and we anticipate to see great things coming from the Massachusetts location.

Subsequent to that, we've also initiated a license arrangement with Kaycha Holdings located in Florida. Kaycha Holdings is a lab operated that is specializing in cannabis itself. Going through the complete licensing process at the current time. They have currently secured their facility, secured their equipment from their equipment manufacturers and are in the process of completing their build out and anticipate to be into full operation later this year.

Additionally, an idea that has been a question to many shareholders has been an update on our Oregon equipment accreditation. I know I announced earlier, actually in April of this year, that Signal Bay made a purchase from Shimadzu for our pesticide equipment. Of course, this equipment is very sensitive and technically savvy. As a result of taking five to six weeks for the equipment to arrive, another eight weeks in order to configure, optimize and complete our methods. We just at the beginning of August submitted all of our documentations to the ORELAP which is the Oregon Regional accreditation body for final accreditation approval for pesticides. So at this point in time, we're working with them to finalize a date so they can come out, complete final inspections and get us accredited so that we can begin performing all of our pesticide testing in house.

I think we've shared this in the past that one of our initiatives is to of course, to reduce our cost of services in this case, specifically for pesticide testing. As a result of looking at the first three quarters of this year, we're still incurring about \$250,000 in outsources services which is almost 33% of our revenues. We don't anticipate to collect all of that. We do anticipate that there will be some overflow for outsources services, however, our goal is to bring in as much as possible and to bring in additional equipment beyond that once we receive accreditation. And do 100% inhouse eventually.

Also, another item of interested for shareholders is California and where is the status with Signal Bay and our growth efforts and initiatives in that state. One of the things that we have to look at is what's going on with the Bureau of Cannabis Control as it relates to cannabis testing and cannabis testing requirements within the industry. The current bureau is going through what they're defining as emergency growth development. That was mostly

attributed to the fact that recreational was passed on the ballot last year and that due to what was called a trailer bill that was approved by both the house and the senate in the state of California, they were required to merge both the recreational and medical programs. Being said, what does that mean for testing? Even though they are trying to have a January 1st implementation date for both the medical and recreational program within the state of California, the current information that we're receiving from the state is that testing will not be mandated until July 1, 2018.

What does that mean for Signal Bay? Well it means that we have time to continue our site acquisition process, our local licensing process to ensure that we identify the right locations to best serve our prospective client base. The other thing we want to balance is not being too ahead of the curve. As you can image, if we're taking down lots of locations early, the company would be burdened with additional monthly lease fees, etc, staffing costs. One of the things we've learned from our experiences in Oregon, being that California even though it's 10 times the size of Oregon from a market perspective, a lot of the community, a lot of the vertical, won't test until they're required to do so. To build and deploy full scalable labs too early in the process would be a detriment to our shareholder value than a value-added aspect.

Being said that, we have, of course, identified our location for southern California in the city of Costa Mesa with Measure X being passed on the ballot in 2016 which was a local initiative. The city of Costa Mesa which is in the heart of Orange County in southern California, approved everything from processing operation, wholesale and distributing and testing. At this point in time, it's the only city in the county of Orange that's allowing these services. We were fortunate to secure what we believe is a premium location that will provide as a hub for southern California operations.

Beyond that we are continuing to have ongoing conversations with multiple local and state agencies on the aspect of licensing. Insuring that our local partners are aware of the services that Signal Bay and EVIO Labs can provide as well as how we will work with them to ensure proper educational rollout within their local communities.

One other item that was mentioned on the last conference call was research efforts with Northwestern University. As you can imagine in the industry in the state of flux that there is on a federal level, institutions are kind of one foot in and one foot out for lack of a better analogy. As a result of that, we are moving forward on a non school sanctioned research initiative. But at this point in time it is outside the scope of the regional university.

Being said that, I am going to answer a couple questions that were given to me via e-mail. And then I will go ahead and open up the calls in a few moments to all shareholders.

The first question that came to me and actually this is a question for you, Christian. If you could chime in please. What is Signal Bay doing to improve our accounting process to eliminate late filings in the future?

Christian Carnell:

Alright, thank you, Will. I think that's a great question. You know as the shareholders are aware, we've had a series of late filings and more recently have been able to file within the extended deadline but you know still obviously there is some improvement there to be had to file within the prescribed deadline without the extension. Now when I came on board late last year, we were just kicking off the audit for the year ended September 2016.

After working through that with the current audit firm and working through the December 2016 filing for the first 10Q, we were really determined that there was a change in auditors that needed to be made just for the sake of efficiencies, working with a new firm. We made that change earlier this year. And it's a firm that I had a prior relationship with and I work well with. We've also had some turnover within the accounting team and have brought in a very qualified senior accountant to handle the day-to-day operations. It really comes down to going forward taking more clear ownership of the filings.

As anybody can guess, once when you get behind on one or two filings and you're playing a constant state of catchup, it can be very hard to dig out of that hole. I think with our June filing being filed on the last day of the extension period, clearly, we're able to get the audit for the year ended September 2017 started much earlier and have that filed within the prescribed 90-day windows without the extension.

We anticipate timely filings going forward. Our internal goal is to get those filings on the 10Qs completed within 35 days of the end of the quarter and also on the audit within 75 days of the end of the quarter to give our shareholders just more timely visibility into the financial results that we're having.

William Waldrop:

Wonderful. Thank you, Christian. One other question I will answer before we move to open calls is recently there was an Oregon rule change which increased the size of batches from 10 pounds to 15 pounds. The question was really derivative to the aspect of how will that impact revenues. Well subsequent to that rule change, the Oregon Liquor Control Commission also eliminated a pesticide test that was put in actually at the start of the harvest season last year, October 1, 2016, in which we were only testing one out of every three batches or what they call the 33% rule. If you had three 10-pound batches or 30 pounds of product, you only had to test one of those three. If the one failed, then you had to test the other two. But if the one passed, you didn't have to test everything.

What we're looking at here is two things. One, actually we're anticipating a positive impact from the elimination of the limited pesticide rule. We're not

testing one in every three. If the simple math would say well with going from 10 to 15 pounds, now you're testing every three is every two. We are anticipating to see actually an increase in revenue from these changes. The other aspect is even outside of the aspect that most of the harvest season, and if most folks are aware from a cannabis side, it's kind of like growing grapes, Oregon has a large outdoor harvest aspect. As a result of that, a lot of the grow is harvested from August through October. There's normal harvesting and drying period. We start seeing testing services at the higher levels starting in late September all the way through February. What we anticipate is to see, we hope to see, is increase year over year based on the fact of these two new changes.

Operator, go ahead and allow you to open up the line for questions at this point in time.

Chris: At this time if you would like to ask a question, please press star and one on your touchtone phone. You may withdraw your question at any time by pressing the pound key. We would like to ask that participants keep to one question at a time. If you have a followup, we ask that you please re queue. Once again, to ask a question, please press star and one on your touchtone phone. We will now pause a moment to allow questions to queue.

And our first question comes from Benjamin McKinna who is a private investor. Please go ahead.

William Waldrop: Hello, Benjamin?

Chris: Benjamin, can you check your mute function please?

Benjamin McKinna: Hi, how are you?

William Waldrop: Well, we can hear you, Benjamin. Thank you.

Benjamin McKinna: My question was what size and when would the reverse split be? That's one of our biggest concerns over with me and my friends?

William Waldrop: I appreciate the question. The first answer to that question is of course we're in the process of the proxy collection process and anticipate to have all proxies collected by next Tuesday, August 29th with an opportunity for shareholders that are in the Las Vegas area to vote their proxies directly here at our office in Henderson, Nevada. The current proxy is allowing the Board of Directors upon approval from the shareholders to make a determination of anywhere from 100 to one to up to 250 to one reverse. The actual number will be determined Wednesday after the approval, assuming the approval is given. And then the Board of Directors will meet and make a final determination.

Some factors we want to consider as a Board is to do an effective stock reverse, we want to make sure that we reverse to a number that creates a basis

or stability for a platform for growth. As everyone is aware on this call or most folks are aware, in February of this year all of the owners of the preferred C and the preferred B shares which predominately was the Board of Directors as well as the seller of the Oregon Analytical Services lab in Eugene, Oregon agreed to eliminate any and all reverse stock split provision. So therefore, all shareholder, inclusive of all the Board of Directors will get reversed on pro rata basis. One for whatever that number is. Being said that, we're all kind of in the same basis to ensure that decisions that are made are the best interests for all shareholders. What we want to look at and like I said the factor is and actually I haven't looked to see exactly where we closed today so earlier were about 1.25 cents plus or minus. At 100 to one that would put us at \$1.25.

One of the factors is we don't want to be the other stocks that are out there that have had unfortunately scenario where they dropped under a dollar and moved south. Whereas we want to be on the proper radar of institutional investors, have the right number of shares issued and outstanding. So therefore, as we go to raise traditional institutional capital in our next round, that we can attract those investors. We've had a share before, through our visits and my meetings with groups at LD Micro, at other private investor sessions. We have a good idea where the institutional investors would like to see our stock.

Benjamin McKinna: Sure. Thank you, William.

William Waldrop: You're very welcome.

Chris: And once again, if you would like to ask a question, please press star and one on your touchtone phone. We will pause a moment to allow questions to queue.

William Waldrop: Chris, I do have an e-mail question if we could take that now.

Chris: Go ahead.

William Waldrop: So this is William Waldrop. I do have an e-mail question that asked about timing of the reverse stock split as well as the proposed name change. Once again, I'll preface this upon formal approval from all shareholders, which we would anticipate to close on Wednesday at 10:00 am with proxy voting ending on Tuesday evening that the time frame is in coordination with our legal counsel is that we will be able to provide final documentation requests to FINRA on Thursday, August 31st before their cutoff time with a target date of Friday, September 1st. Being said that, that is still subject to number one, the approval process, number two, final approval from FINRA and DCC on these requests, and three barring any other technical delay that could happen. Based on a best-case scenario, we would see a formal name change and reverse stock split effective on Friday, September 1st.

Chris: And our next question from the phone line comes from Chris Ellis. Please go ahead, sir.

Chris Ellis: Good afternoon. Thank you for giving us the time to ask you questions. Quick question I did notice you've kind of refocused the advisory business side of the house. What, I guess is there going to be any more focus on what you guys are going to kind of drive to expand growth for the company? Is it going to be more one the testing and quality side of the house versus the consulting? Or what are your plans with the consulting side?

William Waldrop: Yes, thank you, Chris. As we look at the consulting services, and really, we've seen this at least since the inception of Signal Bay back in August of '14, based on when states are coming online, based on the type of state, either medical and/or recreational program that's being put in place, what we're really finding is that it's a little bit of a roller coaster. What I mean by that is there might be a period of three or four months in which no state is accepting an application. You might end up in a scenario where such as in Oregon where it wasn't a short two-window spurt of applications but kind of a free market, apply as will if you will. California is the same thing. You know California is also more of an apply at will type of scenario. When you're ready, submit your applications to the state. What we're seeing is that we can't focus on a business that has a lot of volatility if you will in the supply curve.

We want to really focus on what we've committed and that's to become the nation's largest, and we actually already are, the nation's largest analytical, testing company with the four state that we're currently covering. We really feel that for the value of our shareholders, we really need to keep our efforts focused and continue to grow in that endeavor and taking advantage of the marketplace that's been presented for us.

We've talked about the state of Oregon having effectively an estimated \$15 million market for cannabis testing. As we look at the state of California, that market is estimated to be anywhere between \$150 to 180 million. If we're able to effectuate the same type of market penetration that we have in Oregon, as you can do the math, it seems that we'd have a very good, strong business model. And of course, we would anticipate to come out in California with a full suite of services with our target growth margins that we would like to achieve.

I also would anticipate that as we continue to grow, the consulting side and the operations side is somewhat a niche business. There are a lot of competitors in this space. I believe that our real value for shareholders will be taking our leverage and knowledge of the testing industry and beginning to focus more on research opportunities, development of intellectual property, assisting clients more on product formulation, control studies. Because those will lead more to recurring revenue opportunities than today with advisory services are kind of more upfront, front loaded scenarios.

Hopefully I answered that question for you, Chris.

Chris Ellis: Yes. Yes, you did. Thank you, sir.

William Waldrop: You're very welcome. I do have another question that came from the e-mail and of course, this is one I probably would have expected to come. It's asking what is the outstanding share count split or it actually says will the outstanding share count split be the same as the issue if you will or authorized. I apologize for not getting the right abbreviations.

As we all know, right now there are currently three billion shares that are authorized of Signal Bay. The current proxy is directing the Board of Directors to reduce upon approval from three billion down to one billion. Yes, I know that is only a three to one compared to the 100 to one or 250 to one that's currently for the issued and outstanding. The predominant reason why we can't immediately reduce it below one billion shares is that as disclosed in our financial, we do have convertible debt. Those convertible debts have a reserve. Unfortunately, the reserves themselves, do not automatically modify upon a reversed stock split. So we've had conversations with our convertible debt holders. Our plan is to immediately upon the reverse split, go back to them, adjust accordingly.

To go into a little bit of detail. Usually reserves are calculated based on five times whatever the converted amount should be. And of course, based on these numbers, it would be 500 times which is not in accordance with the contracts that are in place. So upon the reserves being reduced, the Board of Directors would plan to go back out to receive proper shareholder approval so that we can continue to reduce the number of authorized shares to a more respectable number for a company in our size and scale and growth.

Chris: And our next question from the phone line comes from William Burke. Please go ahead.

William Waldrop: Hello, Mr. Burke?

Chris: Oh. William, please check your mute function. Alright. Our next question comes from Emilio Macado. Please go ahead. Emilio? Please check your mute function.

Emilio Macado: Hello?

William Waldrop: Yes.

Emilio Macado: Are we there?

William Waldrop: Yes, you are here.

Emilio Macado: Good afternoon, Mr. Waldrop. Okay. Mr. Waldrop, good afternoon and thank you for your time.

William Waldrop: Your welcome, sir.

Emilio Macado: I would like to ask if you have any timeframe for the certification of the equipments we can do testing on pesticides and solvents to see what's going on with that?

William Waldrop: Yeah, I did mention the question earlier but I'll answer it quickly. We have submitted all of the proper documentation to ORELAP which is a division within the Oregon Health Authority. We are working aggressively to ensure that we can get scheduled and receive final approvals for that accreditation as quickly as possible. I do not have a timeframe. Unfortunately, it is a government agency and therefore, what we have to do is push aggressively to get them to help us become accredited specifically for the betterment of the industry in the state of Oregon.

Emilio Macado: Magnificent. Thank you for your time.

William Waldrop: You're very welcome, sir.

Emilio Macado: Okay.

Chris: And our next question comes from All Lee. Please go ahead.

Al Lee: Hello. Thanks for

William Waldrop: Hello.

Al Lee: taking my question. I know we're limited to one question but my question will be somewhat two parts.

William Waldrop: Go ahead, Al.

Al Lee: Do you have any plans to release any specific short-term or long-term financial forecasts or revenue projections based on current capacity? And if not, can you talk about current capacity a little bit especially regarding the Oregon locations? I know we mentioned and you talked about the opportunity, but without growth in Oregon can we increase volume with what facility is in place?

William Waldrop: So yes. The answer to your second question is yes. I mean during most of the calendar year we're operating roughly at about 60% of capacity. We are able to quickly increase that through additional equipment where appropriate. I did discuss this early that even with the bringing on of the pesticide equipment, we do anticipate that there will be times throughout the harvest season we may exceed 100% of the capacity of equipment. Of course, the cost to bring on additional equipment for a slow overrun if that makes sense, would not make sense to have a second piece of equipment operating all year. Including lease payments, operating expenses, etc.

The other element as we look to talk about the future growth, there's a lot of variability in the industry especially in Oregon. If you've been following since October, we believe the Oregon Health Authority and the Oregon Liquor Control Commission have probably changed the testing rules six times. So it's very difficult for us to state for a high level of certainty that this is what the testing is going to be, this is what it's going to be looking like for the next six to 12 months. What we have to do unfortunately is look a little bit at the past towards our future. Look at what the trending is for our existing clientele. Of course, we are working with them.

Unfortunately, it is also a scenario where you're dealing with an agricultural plant where there is failure in the industry. What I mean by failure is last year there were high winds. The prior year there was fire. Sometimes you might have a client who has a projected large harvest and unfortunately it gets decimated due to things beyond their own control.

As we move into other markets, specifically it could be east coast, we look at California even though California has a large outdoor harvest, is that there's of course the traditional trend of growers moving into more indoor, controlled eight to 12-week cycles. I think once we get to that and the industry obtains a little more level of maturity, we're going to be able to do a much better job forecasting and providing our shareholders what we anticipate to happen over the next 12 to 24 months.

Unfortunately, right now we have to look at every state as a market. I know I've been kind of alluding to that a little bit. We look at what's the potential growth for Oregon. We talked about Massachusetts as it becomes a projected by New Frontier data and others, essentially a billion-dollar economy by 2021. Then using our metrics such as testing is usually 2.5 to 3% of that number. If we talk about Massachusetts becoming a \$30 million testing economy, that's kind of what we have to use as a high-level metric today or barometer for our growth. And that says that we go back and we look at California and there have been groups that have talked about California inclusive of medical and rec being anywhere from a \$5 to 6 billion economy. Well, that's really driving the \$150 to 180 million testing market.

So that's kind of where we're driving things towards now, AI, and really planning our business around. As we do that, as we talked about it, we're also planning on doing this in a very scalable fashion and building more of a hub and spoke model so that we can service the market. If we do need to scale quickly, what I call the heavy lifting or high value services such as pesticide testing, such as metal testing, are being done in larger, centralized facilities. So therefore, if we do need to bring on additional capacity, we're able to do that by just bringing on additional power, additional equipment, but we already have the technicians, the scientists in place that can now operate multiple pieces of the same type of equipment in lieu of having that spread out in multiple locations across the state.

So I know I may not have answered your question directly, but hopefully gave you some insight as to kind of how we look to plan the business and growth within this very dynamic industry.

Al Lee: No, I appreciate your detailed answer. Thank you.

Chris: And our next question comes from William Burke. Please go ahead.

William Burke: Hi, hopefully you can hear me this time.

William Waldrop: We can, William. How are you?

William Burke: I'm doing well. So you spoke a little bit about the change in kind of the authorized shares

William Waldrop: Yes.

William Burke: being reduced to one billion. With that kind of one to three versus the one to 100 or one to 250 reverse shares, there certainly still is a lot of shares out there. We have been taken care of a lot of convertible debt recently? I was wondering if this leads to any future plans to add any more convertible debt or if you possible to obtain.

William Waldrop: William, you kind of faded in an out a little bit but I think I got the gist of your overall question. I think specifically you asked do we have specific plans to take on convertible debt. I mean specifically the whole purpose, the primary purpose of us doing the reversed stock split is that we can eventually migrate 100% away from convertible debt and look at more traditional institutional types of financing whether it is direct equity, direct long-term debentures or if there are debentures that there are things that we would have in such as floors that would protect our shareholders.

With the current federal climate kind of going hot or cold, if you will, based on the day of the week and so forth, sometimes traditional banks are getting warm and receptive and sometimes they back away. And, of course, unfortunately it's one of the risk factors of being within the cannabis industry. But if we looked at what the Board's overall objective is, it is to eliminate any and all convertible debt. It is to go to more traditional institutional financing. That's really where we want to see the long-term value of the company.

As I shared before and I'll share again, we are in exactly the same boat that all of our shareholders are in. If we make a bad decision, it affects me, Lori, the entire Board of Directors as well as every other shareholder that supports Signal Bay. This is my passion, my life. It's Lori's passion and life. We are here to see this reach the goals that we set forth about three years ago.

William Burke: Thank you so much. Appreciate your answer.

William Waldrop: You're very welcome. I'll just reiterate the fact is as soon as we are able to reduce the authorized shares, we will reduce that number down to something much more reasonable and respectable. The only reason why we can't do that today is that we have to just wait for the reserve to be reduced in accordance with the agreements and that just takes unfortunately a little bit of time. It doesn't happen automatically at the time of the reserve stock split.

Chris: And our next question is a followup from Al Lee. Please go ahead.

Al Lee: Yeah, hi. Thanks again. Earlier you mentioned on this call specifically talking about the changes in the mandate testing dates for California

William Waldrop: Um hum.

Al Lee: potentially being delayed to mid year 2018. Do you plan on delaying the go live date with the Costa Mesa facility to correspond with that or what's ... can you go into a little more of the implementation plan?

William Waldrop: We don't plan to delay Costa Mesa. So Costa Mesa so everyone is aware is about a five-month process. So from the time that we've executed the lease. We have to go through a complete application process, add bill drawings, background, all the things we do for a lot of our clients, we now have to do internally. In speaking with the City of Costa Mesa and other people who work in that area, they are taking anywhere from four to five months. Unlike some parts of California where they're having test facilities that maybe had a local business license because they were licensed to test agriculture or other things, with the City of Costa Mesa, we cannot have one drop, iota of any type of cannabinoid in the building, even if it's medicinal grade from one of our providers even for calibrating the equipment, until we receive that license. We understand the potential size of the market, southern California. Also from the time that we have the license, even through we have the existing methods already in place in Oregon that we'll be transferring down, it still takes a good 75 to 90 days to get that equipment up, to confirm the methods are operating properly, to get what we'll define as our internal quality control standards in place so that when we do open and operate we're 100% confident in the results that we're providing to our clients.

Then we'll continue to and I mentioned earlier, we'll continue to fill in as we need to throughout California in order to ensure that we have the proper footprint. A lot of cases such as the City of Los Angeles, they haven't even accepting or planning to accept applications until later this year. We've had significant meetings with them. We've been called to testify at hearings for the City of Los Angeles to provide insight and guidance and really share our experiences. Of course, we're working with them to help ensure that we have the best rules possible as they begin to formalize their roles which are rolling out in November which would be far in advance of any rules that roll out from the state.

Al Lee: Alright. Well thank you again.

William Waldrop: You're welcome, sir.

Chris: And it appears we have no more questions at this time over the phone.

William Waldrop: Alright. Well I do want to once again to thank all of you shareholders who dialed in and asked questions either over the phone or via e-mail. As you know, it's always been my mission to try and maintain that level of transparency and openness as to what we're looking to do. Sometimes, of course, we can't share information if it's competitive in nature. We don't want to give our competitors a heads up but I want you to know that the entire Board is focused on continuing to drive the growth for Signal Bay and to continue to drive shareholder values. Being said that, you will have a transcript as well as an audio recording of this call located on our website signalbay.com. It should be up within 48 hours, if not sooner. We are also duplicating all of our investor information on the EVIO Labs website as well. Because a lot of people look for both so we wanted to make sure that all that information was there regardless of which website you landed on. Once again, thank you for your time and you guys have a blessed day.