ISA INTERNATIONALE INC
Form 10-Q
March 23, 2015

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 10-Q

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended December 31, 2014

Commission File Number: 001-16423

ISA INTERNATIONALE INC.

(Name of small business registrant in its charter)

Delaware	41-1925647
(State of incorporation)	(I.R.S. Employer Identification No.)

2564 Rice Street, St. Paul, MN	55113
(Mailing address of principal executive offices)	(Zip Code)

(Issuer's telephone number) (651) 489-6941

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

Title of each class	Name of each exchange on which registered
Common Stock	OTC Bulletin Board

Indicate by check mark whether the issuer (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 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 []

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (Sec.232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [X] No []

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer [ ] Accelerated filer [ ]

Non-accelerated filer [X] Smaller Reporting Company [ ]

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

State the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date.

On March 20, 2015, there were 50,994,649 shares of the Registrant's common stock, par value $.0001 per share, issued and outstanding.

On March 20, 2015, there were also convertible notes payable to a related party in the amount of $17,505 due and payable on demand and convertible at the option of the related party at a rate of $.25 per share for 70,020 shares. The amount of these notes payable has increased by $17,505 since September 30, 2014.

ISA INTERNATIONALE INC.

FORM 10-Q

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PART I FINANCIAL INFORMATION

Item 1. Condensed Financial Statements

These condensed financial statements have been prepared by ISA Internationale Inc. (the Company) without audit, pursuant to the rules and regulations of the Securities and Exchange Commission (SEC). Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been omitted in accordance with such SEC rules and regulations. In the opinion of management, the accompanying statements contain all adjustments necessary to present fairly the financial position of the Company as of December 31, 2014, and its results of operations, changes in net liabilities, and cash flows for the three month period ended December 31, 2014. The results for these interim periods are not necessarily indicative of the results for the entire year. The accompanying condensed financial statements should be read in conjunction with the financial statements and the notes thereto as a part of the Company's annual report on Form 10-K for the fiscal year ended September 30, 2014 which was filed on January 9, 2015.

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ISA INTERNATIONALE INC.

CONDENSED STATEMENTS OF ASSETS AND LIABILTIIES

	December 31, 2014 (Unaudited)	September 30, 2014
ASSETS		
Investments:		
Non-controlled, non-affiliated investments		
Investment in Newsbeat Social, Inc. Stock	$ 2,000	$ 2,000
Total Investments	2,000	2,000
Cash	237	1,453
Total Assets	**$ 2,237**	**$ 3,453**
LIABILITIES AND NET LIABILITIES		
Accounts payable - trade	$ 154,592	$ 142,592
Obligations in excess of investment basis		

in controlled affiliate	68,186	54,419
Convertible notes payable - related party	17,505	-
	------------	-----------
Total Liabilities	**240,283**	**197,011**
	------------	**-----------**
Net Liabilities	**$ (238,046)**	**$ (193,558)**

ANALYSIS OF NET LIABILITIES

Common Stock, par value $.0001, 300,000,000 shares authorized; 50,994,649 shares issued and outstanding at December 31, 2014 and at September 30, 2014	5,100	5,100
Additional paid-in capital	10,265,325	10,265,325
Losses and distributions in excess of earnings	(10,508,471)	(10,463,983)
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TOTAL NET LIABILITIES	**$ (238,046)**	**$ (193,558)**
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The accompanying notes are an integral part of these unaudited condensed financial statements.

ISA INTERNATIONALE INC.

SCHEDULE OF INVESTMENTS

December 31, 2014

(Unaudited)

EQUITY INVESTMENTS:

Type	Company Description of Business	Percent Ownership	Cost of Investment	Fair Market Value	Affiliation
Controlled, affiliated investments:					
Common Stock	ISA Financial Services, Inc. Investments in Equities and Bonds	100%	N/A (1)	$(68,186)	Yes
Non-controlled, non-affiliated investment:					
Common Stock	Newsbeat Social, Inc. News Service Application	2%	$ 2,000 (2)	$ 2,000	No
			-----------	-----------	
Total Investments			$ 2,000	$(66,186)	
			============	===========	

(1)

ISA Financial Services, Inc., a wholly-owned subsidiary of ISA International, Inc. acquired National Acceptance Corporation, a Company operating in investments in equities and bonds, on December 31, 2014. ISAT does have intentions of relinquishing ownership of the subsidiary in the next four to six months after an audit of National Acceptance Corporation is completed by our auditors and the acquisition is then completed. Relinquishment of this investment will be from ISA Financial Services, Inc. issuing a tax-free dividend considered to be from capital and not from present earnings of the Company, after the completion of the audit.

The Company estimates fair value of NAC s net assets to be approximately $3,337,374, at the date of acquisition of December 31, 2014. ISAF issued preferred stock in exchange in the amount of net assets acquired.

(2) At December 31, 2014 there were 2,000,000 of Newsbeat shares held and reported on a fair value basis at the original purchase cost of $2,000 with no change in Fair Market Value incurred. All common shares held have been recorded as a noncurrent securities asset. As noted in footnote 2, the Company has determined it could incur additional costs of approximately $30,000 for this investment in the future should Newsbeat decide to pursue a S-1 registration.

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

ISA INTERNATIONALE INC.

SCHEDULE OF INVESTMENTS

September 30, 2014

EQUITY INVESTMENTS:

Type Company Description Percent Cost of Fair Market Affiliation

of Business Ownership Investment Value

Common Stock ISA Financial Services, Inc.

100% N/A (1) $(54,419) Yes

Investments in Equities

and Bonds

Non-controlled, non-affiliated investment:

Common Stock Newsbeat Social, Inc. 2% $ 2,000 (2) $ 2,000 No

News Service Application ----------- -----------

Total Investments $ 2,000 $(52,419)

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(1) At September 30, 2014, the Company held all of the common shares of ISA Financial Services, Inc. This unconsolidated wholly-owned subsidiary of the Company is reported on a fair value basis as a current liability of the Company.

(2) At September 30, 2014, there were 2,000,000 of Newsbeat shares held and reported on a fair value basis at the original purchase cost of $2,000 with no change in Fair Market Value incurred. All common shares held have been recorded as a noncurrent securities asset.

All common shares held have been recorded as a noncurrent securities asset. As noted in footnote 2, the Company has determined it could incur additional costs of approximately $30,000 for this investment in the future should Newsbeat decide to pursue a S-1 registration.

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

ISA INTERNATIONALE INC.

CONDENSED STATEMENTS OF CHANGES IN NET LIABILITIES

	Three Months Ended December 31, 2014 (Unaudited)	Three Months Ended December 31, 2013 (Unaudited)
OPERATIONS:		
Net loss from operations	$ (30,438)	$ (34,733)
Interest expense from operations	(283)	-
Realized loss on controlled affiliate investment	(13,767)	(18,851)
Net increase in net liabilities resulting from operations	(44,488)	(53,584)
NET INCREASE IN NET LIABILITIES	$(44,488)	(53,584)
NET LIABILITIES:		
Beginning of period	(193,558)	(409,326)
End of period	(238,046)	(462,910)
Average net liabilities	$(215,802)	$(436,118)

	==========	===========
Ratios to average net liabilities:		
NET LOSS FROM OPERATIONS	(14.1%)	(8.0%)

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

ISA INTERNATIONALE INC.

CONDENSED STATEMENTS OF OPERATIONS

(Unaudited)

	Three Months Ended December 31, 2014	Three Months Ended Dec. 31, 2013
Consulting income:	$ --	$ --
Operating expenses:		
General and administrative	19,688	18,123
General and administrative (related party)	10,750	13,250
Total operating expenses	30,438	(31,373)
Operating loss	(30,438)	(31,373)
Other expenses:		
Interest expense-related party	(283)	(3,360)
Loss on investments	(13,767)	(18,851)

Net Loss	(44,488)	(53,584)
	==========	============
Basic and diluted loss per share	$ (0.0009)	$ (0.0007)
	==========	============
Weighted average common shares outstanding:		
Basic and Diluted	50,994,649	48,874,912
	============	============

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

ISA INTERNATIONALE INC.

CONDENSED STATEMENTS OF CASH FLOWS

(UNAUDITED)

	Three Months Ended December 31, 2014	Three Months Ended December 31, 2013
Cash flows from operating activities:		
Net loss	$(44,488)	$(53,584)
Adjustments to reconcile net loss from operations to cash flow used in operating activities:		
Non-cash consulting fees, related party	10,000	12,500
Deconsolidation effect of subsidiary, net	13,767	19,476
Changes in operating assets and liabilities:		
Decrease in other receivables	-	20,000
Increase in accounts payable	11,999	13,125
Cash used in operating activities	(8,722)	(4,483)
Cash flows from financing activities:		
Proceeds from issuance of convertible debt related party	7,505	4,593

	----------	----------
Cash provided by financing activities	7,505	4,593
	----------	----------
Net increase (decrease) in cash	(1,216)	110
Cash at beginning of period	1,453	600
	----------	----------
Cash at end of period	$ 237	$ 710
	==========	==========

Non-cash investing and financing transactions:

Acquisition financed with issuance of subsidiary preferred stock	$3,337,374	$ -
Total non-cash transactions	$3,337,374	$ -

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

ISA INTERNATINALE, INC.

STATEMENTS OF FINANCIAL HIGHLIGHTS

	Three Months Ended December 31 2014 (unaudited)	**For the Fiscal Years Ended September 30, 2014**	**2013**	**2012**	**2011**
OPERATIONS:					
Net investment loss from operations	$ (0.0006)	$(0.002)	$(0.002)	$(0.003)	$(0.018)
Net realized loss on investments	(0.0003)	(0.002)	(0.002)	-	-
Interest expense from operations	-	-	-	-	(0.001)
Other income	-	-	-	-	-
Net increase in net liabilities from operations	(0.0009)	(0.004)	(0.004)	(0.003)	(0.019)
Impairment expense	-	-	-	-	(0.006)
Net gain (loss) from settlements	-	-	-	0.002	(0.003)
Loss from discontinued operations	-	-	-	(0.002)	-
Net increase in net liabilities from operations	(0.0009)	(0.004)	(0.004)	(0.003)	(0.028)

SHAREHOLDER ACTIVITY

Issuance of common stock	-	0.004	0.001	0.002	-
Issuance of preferred stock ISAT & ISAC	-	0.004	-	-	0.0013
Stock Dividend preferred shareholders	-	-	-	-	(0.004)
Contributed capital by shareholders	-	-	-	0.001	0.005
NET (INCREASE) DECREASE IN NET LIABILITIES	(0.0009)	0.004	0.003	(0.000)	(0.014)
NET ASSET (LIABILITY) VALUE, BEGINNING OF PERIOD	(0.004)	(0.008)	(0.005)	(0.005)	0.009
NET (LIABILITY) VALUE, END OF PERIOD	(0.005)	(0.004)	(0.008)	(0.005)	(0.005)
TOTAL AVERAGE NET ASSET VALUE RETURN (LOSS)	(20.6)%	(64.7)%	(55.0)%	(63.7)%	(851.6)%

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

ISA INTERNATIONALE INC.

NOTES TO CONDENSED INTERIM FINANCIAL STATEMENTS

Note 1) NATURE OF BUSINESS AND SIGNIFICANT EVENTS

1.a) **NATURE OF BUSINESS**

ISA Internationale, Inc (*"ISAT" or the Company*) formerly was a financial services company specializing in debt collections for third party clients and our own portfolios of distressed debt receivables. The Company and its Board of Directors decided to become a Business Development Company on June 29, 2012, and determined it will operate as a business development company (BDC) effective October 1, 2012. See note 6 for an explanation of the Company s future plans and direction following a revised and new business plan of operations.

These financial statements include the Company, ISA Internationale, Inc., but does not include the non-consolidated wholly owned subsidiary, ISA Financial Services, Inc. and its wholly owned subsidiary, National Acceptance Corp., except in the reflection of its investment or obligations in excess of investment on the statement of assets and liabilities, and the related loss in investment on the statement of operations, cash flows, and statement of changes in net assets (liabilities).

1.b) **PRESENTATION**

On June 28, 2012, the Company filed Form N-54A with the United States Securities Exchange Commission to become a BDC. As a result, it became a closed-end company (mutual fund) organized and operated for the purpose of making investments in securities described in Section 55 (a)(1) through (3) of the Investment Company Act of 1940; and that it will make available significant managerial assistance to American companies with respect to issuers of such securities to the extent required by the act. The Company commenced investment activities in fiscal 2013 and began reporting and accounting methodologies consistent with BDC requirements during the first quarter of fiscal 2013.

The results for the three month period ended December 31, 2014 are not necessarily indicative of the results that may be expected for a full fiscal year. Certain information and note disclosures normally included in annual consolidated financial statements prepared in accordance with US GAAP are condensed or omitted pursuant to the rules and regulations of the SEC.

In the opinion of management, the condensed financial statements include all normal recurring adjustments necessary for fair presentation.

1.c) USE OF ESTIMATES

The preparation of the financial statements is 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 disclosure of contingent assets and liabilities, such as the fair value of investment income and loss, and estimated obligations related to contractual commitments. Actual results could differ from those estimates.

1.d) RECENT ACCOUNTING PRONOUNCEMENTS

The Company s management has evaluated all recently issued accounting pronouncements through the filing date of these condensed financial statements and has determined that these pronouncements will have no material impact on the condensed financial statements of ISA Internationale, Inc.

1.e) FINANCIAL INSTRUMENTS

The Company has categorized it financial assets and liabilities based upon the Fair Value Measurement and Disclosures (ASC 820). This standard defines fair value, provides guidance for measuring fair value and requires certain disclosures.

This standard does not require any new fair value measurement, but discusses valuation techniques, such as the market approach (comparable market prices), the income approach (present value of future income or cash flow), and the cost approach (cost to replace the service capacity of an asset or replacement cost).

Fair value is defined as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity. In addition, the fair value of liabilities should include consideration of non-performance risk including our own credit risk.

In addition to defining fair value, the disclosure requirements around fair value establish a fair value hierarchy for valuation inputs which is expanded. The hierarchy prioritizes the inputs into three levels based on the extent to which inputs used in measuring fair value are observable in the market. Each fair value measurement is reported in one of the three levels which are determined by the lowest level input that is significant to the fair value measurement in its entirety. These levels are described as:

Level 1: Quoted Market prices in Active Markets

Inputs are based upon unadjusted quoted prices for identical instruments traded in active markets.

Level 2: Significant Observable Inputs

Inputs are based upon significant observable inputs other than quoted prices included in Level 1, such as quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Significant Unobservable Inputs

Inputs are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The carrying value of the Company's non-investment financial assets and liabilities which consist of cash, accounts payable, and convertible notes payable approximate their fair value due to the short maturity of such instruments. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, exchange or credit risks arising from these financial instruments.

1.f) FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value measurements of our financial instrument assets are presented in the following table:

Fair Value Measurements as of December 31, 2014:

		Level 1	Level 2	Level 3	Total
Assets					
Investment	NewsBeat Social, Inc.	$ -	$ -	$2,000	$ 2,000
Liabilities					
Investment	ISA Financial Services, Inc.			(68,186)	(68,186)
(Includes National Acceptance Corporation)					
				--------	---------
Total Liabilities				$(66,186)	$(66,186)

Fair Value Measurements as of September 30, 2014:

		Level 1	Level 2	Level 3	Total
Assets					
Investment	NewsBeat Social, Inc.	$ -	$ -	$ 2,000	$ 2,000

Total Assets	$ 2,000	$ 2,000

Liabilities

Investment ISA Financial Services, Inc.	$(54,419)	(54,419)
	--------	--------
Total Liabilities	$(52,419)	$(52,419)

The following table is a reconciliation of changes in the net fair value of investments and financed receivables which are classified as level 3 in the hierarchy.

	2015

As of September 30, 2014	$(52,419)
Write down Investment, ISAF	(13,767)

As of December 31, 2014	$(66,186)

Level 3 Fair Value Measurements

The Company s assessment of fair value of investments is based on a third party market analyst, communication with management of investees, internal estimates, or a combination thereof. The unobservable input is the probability estimate of realizing an investment return.

ASU 2011-04 requires additional disclosures about fair value measurements categorized within Level 3 of the fair value hierarchy, including the valuation processes used by the reporting entity, the sensitivity of the fair value to changes in unobservable inputs, and the interrelationships between those unobservable inputs, if any. Following are descriptions of the sensitivity of the Level 3 recurring fair value measurements to changes in the significant unobservable inputs noted above. For investment securities, a significant increase (decrease) in the share value in a subsequent sale or repurchase of securities would result in a significantly higher (lower) fair value measurement. For contract for deed, change in the credit-worthiness of the counterparty would result in a significant change to the fair value measurement.

On October 1, 2012, the Company began reporting as a business development company (BDC). As such, we no longer consolidate our wholly owned subsidiary, ISAF, in accordance with Article 6.03 of Regulation S-X. Instead, we show our 100% investment at fair market value. We record the investment in ISAF as a current liability of the Company at December 31, 2014 and September 30, 2014 of $68,186 and $54,419, respectively.

At December 31, 2014 there were 2,000,000 of Newsbeat shares held and reported on a fair value basis of $2,000. No change in Fair Market Value has occurred. All common shares held have been recorded as a noncurrent securities asset. Newsbeat is an early stage company that has limited operational history. No audited financial statements or internal financial statements have been provided by Newsbeat to the Company upon which modeling techniques could be used. As such, the most relevant information upon which to base the fair market value is the most recent verifiable transaction of Newsbeat stock.

At December 31, 2014, the investment in ISAF includes ISAF s investment in, and consideration in exchange for NAC. The Company determined the $3,337,374 of NAC s net assets and ISAF s preferred stock issued considering the following assumptions: market interest rate of contract for deed, credit worthiness of counter party, and net realizable value of various working capital amounts.

Note 2) CONTINGENT LIABILITIES

The Company has a contractual commitment with Newsbeat to assist them at their option to become a registered public corporation with the SEC. The Company has determined it could incur additional costs of approximately $30,000 should Newsbeat decide to pursue an S-1 registration. No contingent liability has been recorded in the financial statements, as this contingency is not deemed to be probable at this time.

Note 3) LIQUIDITY AND GOING CONCERN MATTERS

The Company has incurred losses since its inception and, as a result, has an accumulated deficit of $10,508,472 at December 31, 2014. The Company incurred a net increase in net liabilities resulting from operating loss activities of $44,488 for the three month period ended December 31, 2014 compared to a net increase in net liabilities resulting from operating activities of $53,584 for the same period last year.

The Company received net loans totaling $17,505 from a related party during the three month period ended December 31, 2014. The net loans do include a $10,000 management consulting fee for the period ended December 31, 2014. These loans and cash advances have been recorded as a convertible notes payable to related party December 31, 2014.

The Company's ability to continue as a going concern depends upon future gains on investments, and/or obtaining additional capital. There is no assurance that such capital will be available. These conditions raise substantial doubt about its ability to continue as a going concern.

The accompanying financial statements have been prepared on a going concern basis, which assumes continuity of operations and realization of assets and liabilities in the ordinary course of business. These financial statements do not include any adjustments that might result from the outcome of this uncertainty.

NOTE 4) CONVERTIBLE or SECURED NOTES PAYABLE - RELATED PARTY

The principal parties of Doubletree Capital Partners, Inc. (DCP) have lending arrangements with ISAT, as promulgated by and between DCP and the board of directors and officers of the Company. The financial company is owned by two individuals, one of which is ISAT's current President, CEO and Chairman of the Board of Directors. The two principals advance loaned funds as deemed necessary from other entities they control and the balance is listed as a Loan Payable to Related Parties. If surplus funds are available the Loan is reduced.

During the three months ended December 31, 2014, DCP provided the financing necessary to maintain operations by advancing net loans to the Company amounting to $17,505. None of these net advances were repaid. Consulting fees in the amount of $10,000 were added to the loan. At December 31, 2014 the loans outstanding of $17,505 bear interest at the rate of 6% per annum and are also convertible at the option of the holder into 70,020 common shares of the Company at the conversion price of $.25 per common share or a conversion price not less than the prevailing price of shares at date of conversion.

NOTE 5) RELATED PARTY TRANSACTIONS

CONVERTIBLE NOTES PAYABLE - RELATED PARTY

During the quarter ended December 31, 2014, the Company received $17,505 in net loan advances from a related party. These advances and loans total $17,505 at December 31, 2014 and include $10,000 in consulting fees to Doubletree Capital Partners, Inc. This note payable is secured by a blanket collateral pledge of all of the Company s assets and bears interest at the rate of 6% per annum. The convertible notes payable are due and payable on demand and convertible at the option of the related party into 70,020 common shares at the rate of $0.25 per common share or a conversion price not less than the prevailing price of shares at date of conversion.

Note 6) CONTROLLED AFFILIATED INVESTMENT SUBSIDIARY ACQUISITION

On December 30, 2014, ISA Financial Services Inc., a Controlled Affiliated Investment subsidiary purchased the 2,000 issued and all outstanding shares of common stock of National Acceptance Corporation, a Minnesota Corporation, owned beneficially by a shareholder of the Company.

ISA Financial Services Inc. issued 4,500,000 $1.00 par preferred shares of non-voting stock in exchange for the seller s outstanding stock[1]. The fair value of net assets of National Acceptance Corporation is presented below in a condensed summary as of December 31, 2014:

Assets:	
Current assets	**$ 739,472**
Equipment	**48,202**
Contract for Deed Receivable	**4,000,000**
Total Assets	**$ 4,787,674**
Liabilities:	
Deferred income taxes payable	**1,440,000**
Affiliate loans payable	**10,000**

Accounts payable	**300**
Total Liabilities	**$1,450,300**
Net Assets:	**$3,337,374**

The books and records of the National Acceptance Corporation (NAC) will be subject to an independent audit. Any variance in the fair value of the assets acquired in the transaction will be adjusted accordingly upon the completion of the audit, projected to be April 2015. In connection with the acquisition of NAC, the Company is expected to pay $180,000 on an annual basis to its employee, the former owner, to manage the operations of NAC.

It is the intention of the Company, upon completion of the audit, to distribute the 15,182,860 common stock shares it owns as of December 31, 2014 to the shareholders of The Company.

(1) The preferred shares can be redeemed by the holder or the Company after a period of five years from date of issuance. The preferred shares are recorded outside of permanent equity of ISAF and are carried at its issuance price of $3,337,374 on December 31, 2014. The preferred stock will be accreted to its redemption value of $4,500,000 during the next five years. The preferred shares are non-voting so the Company retains full control and ownership of ISAF.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION

Forward Looking Statements

Management has reviewed the events of the Company from December 31, 2014 to the date of this report and determined no additional events require reporting thereon.

The information herein contains certain "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities and Exchange Act of 1934, as amended, which are intended to be covered by the safe harbors created thereby. Investors are cautioned that all forward looking statements involve risks and uncertainties, including, without limitation, the ability of the Company to continue its present business strategy which will require it to obtain significant additional working capital, changes in costs of doing business, identifying and establishing a means of generating revenues at appropriate margins to achieve profitability, changes in governmental regulations and labor and employee benefits and costs, and general economic and market conditions. Such risks and uncertainties may cause the Company's actual results, levels of activity, performance or achievement to be materially different from those future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements.

Although the Company believes that the assumptions and expectations reflected in these forward looking statements are reasonable, any of the assumptions and expectations could prove inaccurate or not be achieved, and accordingly there can be no assurance the forward looking statements included in this Form 10-Q will prove to be accurate. In view of the significant uncertainties inherent in these forward-looking statements, their inclusion herein should not be regarded as any representation by the Company or any other person that the objectives, plans, and projected business results of the Company will be achieved. Generally, such forward looking statements can be identified by terminology such as "may," "could," "anticipate," "expect," "will," "believes," "intends," "estimates," "plans," or other comparable terminology.

Company History and Overview

On June 29, 2012, the Company began the process of becoming a Business Development Company as it filed Form N54-A with the Securities and Exchange Commission. Further, The Company sold its in-house debt collection business operated by a subsidiary to ISAF to a related company owned by the Company s President and another investor who is also an investor shareholder in the Company s Management Company.

With the Company s filing of Form N-54A with the United States Securities Exchange Commission to become a Business Development Company, it became a closed-end company (mutual fund) organized and operated for the purpose of making investments in securities described in Section 55 (a)(1) through (3) of the Investment Company Act of 1940; and that it will make available significant managerial assistance to American companies with respect to issuers of such securities to the extent required by the act.

The Company commenced development of providing management consulting services to assist American client companies in complying with the reporting requirements to the government and in communicating with shareholders, customers and the public and the accessing of needed growth capital

As a result, the Company considered itself to be operational as a Business Development Company as of October 1, 2012 and forward. ISAT plans to pursue strategic alternatives that may include the purchase of a business or acquisition by another entity, as well as the associated activities required of a Company involved in activities as a Business Development Corporation.

Results of Operations for the three months ended December 31, 2014 vs. 2013.

Operating Expenses

Operating expenses include general and administrative expenses. General and administrative expenses were $30,438 for the three month period ended December 31, 2014.

General and administrative expenses were $31,375 for the three months ended December 31, 2013. The decrease in 2014 is due to reduced contract consulting fee costs compared to those in 2013.

Other expenses include interest expenses related to short term financing notes, convertible debenture notes and convertible notes payable. Interest expense for the three months ended December 31, 2014, totaled $283, $3,077 lower than the prior year for three months ended December 31, 2013.

Liquidity and Capital Resources

As of December 31, 2014, the Company had total assets of $2,237 consisting of $237 in cash and $2,000 in an investment for NewsBeat Social, Inc.

The Company had $240,283 in liabilities consisting of $154,592 in accounts payable and accrued expenses, $17,505 in a 6% convertible notes payable secured related party and a controlled affiliated investment carried in excess of investment basis for $68,186 which results from the acquisition of National Acceptance Corporation by ISA Financial Services, Inc.

Total liabilities as of December 31, 2014 were $240,283 compared to $197,011 at September 30, 2014.

Certain assets and liabilities related to ISA Financial are no longer consolidated with the Company as of October 1, 2012. Instead, they are presented net as the approximate fair value of the Company s 100% interest in controlled affiliate. The net obligations in excess of our investment basis in ISAF amount to $68,186 in excess net liabilities in excess of investment basis at September 30, 2014.

The acquisition of National Acceptance Corporation by the subsidiary, ISA Financial, Inc. at December 31, 2014, will not have any impact on the financial condition of ISA Internationale, Inc. assets and liabilities as presented.

As of September 30, 2014, the Company had total assets of $3,453 consisting of $1,453 in cash and $2,000 stock investment. It had $197,011 in current liabilities consisting of $54,419 in obligations in excess of investment basis in our controlled entity, $142,592 in accounts payable and accrued expenses.

For the three months ended December 31, 2014, the Company raised $17,505 from demand notes payable from a related investor, compared to $54,419 from demand notes payable from a related investor for the fiscal year ended September 30, 2014. The demand loans bear interest at the rate of 6% per annum and are collateralized by all the assets of the Company. These secured demand notes accrued interest in the amount of $283 for the three months ended December 31, 2014 and $3,360 during the three months ended December 31, 2013.

ISAF acquired $3,337,374 in net assets but issued non-voting, redeemable preferred stock for a like amount. This acquisition had no effect on the net liability position of this equity investment.

The Company's current capital resources are not sufficient to support its development and operations. Additional capital will be necessary to support future growth of the Company as well as general and administrative and interest expenditures. The Company plans to continue its complete reorganization of financial affairs and obligations.

The Company is currently seeking additional sources of debt or equity financing to replace the financing agreement consummated in November 2000 with Doubletree Capital Partners, Inc. Until the reorganization process is fully completed and sources of capital needs are determined and defined, the Company cannot provide assurances as to its future viability or its ability to prevent the possibility of a bankruptcy filing petition either voluntary or involuntary by creditors of the Company.

As a result of the Company's history of operating losses and its need for significant additional capital, the reports of the Company's independent auditors on the Company's Form 10-K submission for the year ended September 30, 2014, should be read including explanatory paragraphs concerning the Company's ability to continue as a going concern.

Income Tax Benefit

The Company has an income tax benefit from net operating losses, which is available to offset any future operating profits. This benefit has not been recorded in the accompanying financial statements because of the uncertainty of future profits. The ability to utilize the net operating losses may be limited due to ownership changes.

Prior Business Ventures

With respect to the business strategy of developing and launching a multimedia home shopping network that occurred during the years from 1998 through 2000, ISAT had only a very limited operating history on which to base an evaluation of its business and prospects. The Board of Directors decided in December 2000 to sell the Shoptropolis subsidiary and cease development of the home shopping network. All efforts of the Company at the present time have been directed to a complete reorganization of all of its affairs. Therefore, the Company's prospects for new business ventures must be considered in light of the many risks, expenses and difficulties encountered frequently by companies in reorganization. Such major risks include, but are not limited to, an evolving business model and the overall effective management of future growth. To address the many startup risks and difficulties the Company has encountered, it must in the future have the ability to successfully execute any of its strategies that it may develop in any new business venture investments.

There would be no assurance the Company would be successful in addressing the many risks and difficulties it could encounter and the failure to do so would continue to have a material adverse effect on the Company's business, prospects, financial condition and results of any operations it pursues or tries to develop, pending successful reorganization of its financial affairs. There can be no assurance that ISAT can find and attract new capital for any new business venture investments and if successful in finding sufficient capital, that it can successfully grow and manage the business or new business venture into a profitable and successful operation. No assurance can be given on any of these developments. The Company will continue to complete its financial reorganization, and to operate as a business development company.

History of Losses and Anticipated Further Losses

The Company has generated only limited revenues to date and has an accumulated deficit as of December 31, 2014 of $10,508,472. Further, the Company expects to continue to incur investment losses until it generates investment income. There can be no assurance the Company will ever generate sufficient investment income, achieve profitability, or have its future investment activity prove commercially successful.

Need for Additional Financing

The Company's current capital resources are not sufficient to support the Company's anticipated day-to-day operations. As such, the Company must obtain significant additional new capital to support the Company's anticipated day-to-day operations and fully settle the debt incurred by ISAT during its past operations until it establishes a means of generating revenues at appropriate margins to achieve profitability. The Company currently has an agreement with Doubletree Capital Partners, Inc. (hereinafter referred to as the financial company or DCP) to loan the Company, at the financial company's sole discretion, funds to meet its day-to-day operational expense and settle certain debt incurred by ISAT. The financial company is owned by two individuals, one of which is ISAT's current President, CEO and Chairman of the Board of Directors.

The Company will continue to use its best efforts to help the Company resolve, consolidate, and reorganize the Company's present debt structure and contractual liabilities. There is no assurance the financial company will provide the Company any additional capital. Additional financing is contemplated by the Company, but such financing is not guaranteed and is contingent upon pending successful settlement of the Company's problems with various creditors. There is no assurance the Company will be able to obtain additional capital and the necessary additional financing will be available when needed by the Company on terms acceptable to the Company. If the Company is unable to obtain financing sufficient to meet its operating and development needs, the Company will be unable to develop and implement a new business strategy or continue its operations. As a result of the Company's history of operating and investment losses and need for significant additional capital, the Form 10-K reports of the Company and notes to consolidated financial statements for the fiscal year ended September 30, 2014, includes an explanatory paragraph concerning the Company's ability to continue as a going concern. Additionally, Footnote 3 of our financial statement of this Form 10-Q discusses current liquidity and going concern matters.

Reliance on Key Personnel

The Company's future success will be dependent upon the ability to attract and retain executive officers, board members, and certain other key persons. The inability to attract such individuals or the loss of services of one or more of such persons would have a material adverse effect on ISAT's ability to implement its current plans or continue its operations. There can be no assurance the Company will be able to attract and retain qualified personnel as needed for its business.

Control By Existing Management

Three principal shareholders, Doubletree Capital Partners, Inc. (DCP), Doubletree Liquidation Corporation and Bernard L. Brodkorb, beneficially own approximately 93.37%, respectively of the Company's outstanding common stock at December 31, 2014. DCP's and Mr. Brodkorb's beneficial ownership includes common stock that can be converted from preferred stock owned by the one principal shareholder as well as similar conversion of convertible loans and related interest due. Brodkorb is a 50% owner of DCP and his beneficial shares represented 100% of DCP's interest. DCP and Brodkorb accordingly have complete control of the business and future development, including the ability to manage all operations, establish all corporate policies, appoint future executive officers, determine management salaries and other compensation, and elect all members of the Board of Directors of ISAT.

Effects of Trading in the Over-the-Counter Market

The Company's common stock is traded in the over-the-counter market on the OTC Electronic Bulletin Board and its stock symbol is ISAT. Consequently, the liquidity of the Company's common stock may be impaired, not only in the number of shares that may be bought and sold, but also through delays in the timing of transactions, and coverage by security analysts and the news media may also be reduced. As a result, prices for shares of the Company's common stock may be lower than might otherwise prevail if the Company's common stock were traded on a national securities exchange or listed on the NASDAQ Stock Market. Further, the recent adoption of new eligibility standards and rules for broker dealers who make a market in shares listed on the OTC Electronic Bulletin Board may limit the number of brokers willing to make a market in the Company's common stock.

Limited Market for Securities

There is a limited trading market for the Company's common stock, which is not listed on any national stock exchange or the NASDAQ stock market. The Company's securities are subject to the "penny stock rules" adopted pursuant to Section 15(g) of the Securities Exchange Act of 1934, which applies to non-NASDAQ companies whose common stock trades at less than $5 per share or has tangible net worth of less than $2,000,000. These "penny stock rules" require, among other things, that brokers who sell covered "penny stock" to persons other than "established customers" complete certain documentation, make suitability inquiries of investors and provide investors with certain information concerning trading in the security, including a risk disclosure document and quote information under certain circumstances.

Many brokers have decided not to trade "penny stock" because of the requirements of the "penny stock rules" and, as a result, the numbers of broker-dealers willing to act as market makers in such securities are limited. There can be no assurance that an established trading market will develop, the current market will be maintained or a liquid market for the Company's common stock will be available in the future.

ITEM 3. QUANTITATIVE AND QUALITIATIVE DISCLOSURES ABOUT MARKET RISK

Our business activities contain high elements of risk. The Company considers a principal type of market risk to be a valuation risk. All assets are valued at fair value as determined in good faith by or under the direction of the Board of Directors (which is based, in part, on quoted market prices of similar investments).

Market prices of common equity securities in general, are subject to fluctuations that could cause the amount to be realized upon sale to differ significantly from the current reported value. The fluctuations may result from perceived changes in the underlying economic characteristics of the Company's portfolio companies, the relative prices of alternative investments, general market conditions and supply and demand imbalances for a particular security.

Neither the Company's investments nor an investment in the Company is intended to constitute a balanced investment program. The Company will be subject to exposure in the public-market pricing and the risks inherent therein.

ITEM 4. CONTROLS AND PROCEDURES

4(a) Evaluation of Controls and Procedures

The management of ISA Internationale Inc., under the direction, supervision, and participation of, our Chief Executive Officer and Chief Financial Officer and effected by management and other personnel, has conducted an evaluation as of the end of the period covered by this report, of the effectiveness of the design and operation of disclosure controls and procedures (as defined as defined in Rules 240.13a-15(e) and 240.15d-15(e) of the Securities Exchange Act of 1934).

Based on this evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of December 31, 2014, the Company's disclosure controls and procedures were not effective.

4(b) Changes in Internal Control over Financial Reporting

There have been no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during our most recently completed fiscal quarter, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. We reported on form 10-K as of September 30, 2014 that our internal control over financial reporting was not effective due to a material weakness in its internal control over financial reporting.

Part II. OTHER INFORMATION

ITEM 1. Legal Proceedings

During the quarter ended December 31, 2014, the Company was not a party to any lawsuit and legal proceeding.

The Company has reviewed pending litigation and determined that none would have a material impact on the financial condition of the Company and the results reported. The Company has strict policies and procedures in place designed to prevent any unlawful or unethical practices by its employees.

ITEM 2. Unregistered Sales of Equity Securities and Use of Proceeds

None during the quarter ended December 31, 2014.

ITEM 3. Defaults Upon Senior Securities

None during the quarter ended December 31, 2014.

ITEM 4. Mine Safety Disclosures

Not applicable

ITEM 5. Other Information

None during the quarter ended December 31, 2014.

ITEM 6. Exhibits and Reports on Form 8-K.

(a) Exhibits:

EX-31.1 Certification of the Chief Executive Officer and Chief Financial Officer pursuant to Rule 13(a) 14(a) of the Securities Exchange Act, as amended.

EX-32.1 Certification of the Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

(b) Form 8-K reports filed during quarter:

None

SIGNATURES

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

ISA INTERNATIONALE INC.

/s/ Bernard L. Brodkorb

By: Bernard L. Brodkorb

President, Chief Executive Officer, and Chief Financial Officer

Date: March 20, 2015