

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

Amendment No.1 to
FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2018

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

For the transition period from _____ to _____

Commission File No. 333-174674

DREAM HOMES & DEVELOPMENT CORPORATION

(Exact Name of Registrant As Specified In Its Charter)

Nevada

(State Or Other Jurisdiction Of
Incorporation Or Organization)

20-2208821

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

314 South Main Street Forked River, New Jersey 08731

(Address of Principal Executive Offices and Zip Code)

Registrant's Telephone Number, Including Area Code: (609) 693-8881

Securities registered pursuant to Section 12(b) of the Act: None

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

Common Stock, \$.001 par value per share

(Title of class)

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

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

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

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (Section 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. Yes 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. See the definitions of "large accelerated filer", "accelerated filer", "non-accelerated filer", and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large Accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
(do not check if 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

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 last sold, or the average bid and asked price of such common equity, as of the last business day of the registrant's most recently completed second fiscal quarter. \$0

Indicate the number of shares outstanding of each of the registrant's classes of common stock as of the latest practicable date.

Class	Outstanding at April 15, 2019
Common Stock, par value \$0.001	24,000,993

List hereunder the following documents if incorporated by reference and the Part of the Form 10-K (e.g., Part I, Part II, etc.) into which the document is incorporated: (1) Any annual report to security holders; (2) Any proxy or information statement; and (3) Any prospectus filed pursuant to Rule 424(b) or (c) under the Securities Act of 1933. The listed documents should be clearly described for identification purposes (e.g., annual report to security holders for fiscal year ended December 31, 2017): **None**

EXPLANATORY NOTE

The audits of the consolidated financial statements for the years ended December 31, 2018 and 2017 which were included in the December 31, 2018 Form 10-K filed on April 15, 2019 (the "Original Filing") have not been completed by our independent registered public accounting firm Michael T. Studer CPA P.C. ("Studer"). Inclusion of Studer's audit report and nondisclosure of the unaudited status of the financial statements was a mistake which was brought to our attention by Studer on April 18, 2019

As explained in our Form 8-K filed August 22, 2018, certain errors in the Company's consolidated financial statements for both the year ended December 31, 2017 and for the three months ended March 31, 2018 were detected by Studer during its uncompleted review of the Company's consolidated financial statements for the three months ended March 31, 2018. As also explained in this Form 8-K the errors principally relate to the accounting for certain contracts under the "percentage of completion method". Studer's audit of our restated financial statements for the year ended December 31, 2017 is still in process and has not yet been completed. An audit of the financial statements for the year ended December 31, 2018 has not yet commenced.

We have amended the Original Filing in this Amendment No. 1 to Form 10-K to exclude the Studer audit report and to label all pages of the consolidated financial statements and notes to consolidated financial statements as unaudited. Until audits of the above consolidated financial statements have been completed, the financial statements for both the year ended December 31, 2017 and the year ended December 31, 2018 contained in the Original Filing should no longer be relied on.

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CERTAIN DEFINITIONS

Unless the context requires otherwise, all references in this Annual Report on Form 10-K (the “Annual Report”) to “Dream Homes & Development Corporation,” “Dream” “Company,” “we,” “our” and “us” refer to Dream Homes & Development Corporation.

SPECIAL NOTE ON FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Annual Report on Form 10-K are forward-looking statements. We have tried, whenever possible, to identify these forward-looking statements using words such as “anticipates,” “believes,” “estimates,” “continues,” “likely,” “may,” “opportunity,” “potential,” “projects,” “will,” “expects,” “plans,” “intends” and similar expressions to identify forward-looking statements, whether in the negative or the affirmative. These statements reflect our current beliefs and are based upon information currently available to us. Accordingly, such forward-looking statements involve known and unknown risks, uncertainties and other factors which could cause our actual results, performance or achievements to differ materially from those expressed in, or implied by, such statements.

Forward-looking statements reflect our management’s expectations or predictions of future conditions, events or results based on various assumptions and management’s estimates of trends and economic factors in the markets in which we are active, as well as our business plans. They are not guarantees of future performance. By their nature, forward-looking statements are subject to risks and uncertainties. Our actual results and financial conditions may differ, possibly materially, from the anticipated results and financial conditions indicated in these forward-looking statements. There are a number of factors that could cause actual conditions, events or results to differ materially from those described in the forward-looking statements contained in this Annual Report. A discussion of factors that could cause actual conditions, events or results to differ materially from those expressed in any forward-looking statements appears in “Part 1—Item 1A—Risk Factors.”

Readers are cautioned not to place undue reliance on forward-looking statements in this Annual Report or that we make from time to time, and to consider carefully the factors discussed in “Part 1—Item 1A—Risk Factors” of this Annual Report in evaluating these forward-looking statements. These forward-looking statements are representative only as of the date they are made, and we undertake no obligation to update any forward-looking statement as a result of new information, future events or otherwise.

Any forward-looking statement contained herein speaks only as of the date on which we make it. Factors or events that could cause our actual results to differ may emerge from time to time, and it is not possible for us to predict all of them. We undertake no obligation to update any forward-looking statement, whether as a result of new information, future developments or otherwise, except as may be required by law.

This Form 10-K also contains market data related to our business and industry. See Item 1 “Business.” This market data includes projections that are based on a number of assumptions. If these assumptions turn out to be incorrect, actual results may differ from the projections based on these assumptions. As a result, our markets may not grow at the rates projected by these data, or at all. The failure of these markets to grow at these projected rates may have a material adverse effect on our business, financial condition, results of operations and the market price of our common stock.

PART I

Item 1. Business

Overview

Building on a history of over 1,500 new homes built, the management of Dream Homes & Development Corporation has positioned the company to emerge as a rapidly growing regional developer of new single-family subdivisions as well as a leader in coastal construction, elevation and mitigation. In the six years that have passed since Superstorm Sandy flooded 40,000 owner-occupied homes, Dream Homes has helped hundreds of homeowners to rebuild or raise their homes to comply with new FEMA requirements. While other builders have struggled to adapt to the changing market and complex Federal, State and local regulations involved with coastal construction in Flood Hazard Areas, Dream Homes has excelled. As many of our competitors have failed, Dream Homes has developed a reputation as the region's most trusted builder and has even become known as the "rescue" builder for homeowners whose projects have been abandoned by others. Due to the damage caused by the storm, as well as the material changes in the FEMA flood maps which now require over 30,000 homeowners along the New Jersey coastline to elevate their homes, Dream Homes is positioned to capitalize on this opportunity for substantial revenue growth.

Management anticipates steady growth in this division of the company, since the rebuilding process will occur over the next 15-20 years, and have an anticipated market value of \$3,400,000,000. The company anticipates being able to efficiently address 5% - 10% of this market. Dream Homes' potential operations include the development and sale of a variety of residential communities, including construction of semi-custom homes, entry-level and first time move-up single-family and multi-family homes.

In addition to the New Jersey market, the Company, through its Dream Building LLC subsidiary, has become licensed in Florida to pursue recent opportunities for elevation, restoration, renovation and new construction brought about by the damage caused by recent hurricanes. Initial markets to be targeted are located primarily in the southwest portion of the state, between Naples and Cape Coral.

In addition to the projects which the Company currently has under contract for elevation, renovation, new construction and development, there are a number of parcels of land which the Company has the ability to secure, whether through land contract or other types of options. These parcels represent additional opportunities for development and construction potential on the order of an additional 400 - 800 lots and/or residential units to be developed and built within an approximate time horizon of 5 years. Conceivably, this volume of production could yield \$120,000,000 - \$240,000,000 in gross revenue and \$25,000,000 - \$50,000,000 in earnings to the Company.

Management recognized that the effects of Super Storm Sandy, which occurred on 10/29/12 would be far reaching and cause an almost unlimited demand for construction services, as well as specific construction information. Due to the damage caused by the storm, as well as the material changes in the FEMA flood maps which now require over 30,000 homeowners along the New Jersey coastline to elevate their homes, management feels that focusing on the construction field will continue to provide a stable revenue stream for the company.

Due to the opportunities afforded by the market conditions, Dream Homes and Development Corporation as well as its wholly owned subsidiaries, will continue to pursue opportunities in the construction and real estate field, specifically in new home construction, home elevations and renovations.

In addition to the existing elevation, renovation and new home projects currently in process, Dream has also estimated an additional \$5,300,000 worth of residential construction projects and currently has over 200 active prospects to its data base. All of these prospects are prime candidates for educational videos and short books on specific construction and rebuilding topics, as well as candidates for rebuilding projects to be built under the Dream Building LLC division.

Our Competitive Strengths

The Company currently offers the following range of services and products: land development and approvals, infrastructure installation, new single and multi-family construction, engineering & structural design, soil studies, architectural and design/build capabilities, construction management services, general contracting of all residential single and multi-family construction, helical and timber pile installation, masonry foundations and concrete work of all varieties, management of home elevation and moving projects and complete finish requirements for all interior construction. The Company offers comprehensive full turn key solutions, from plan design through certificate of occupancy, which gives it a competitive advantage over many other construction & development companies.

In addition to the above products and services, the Company offers educational services and marketing opportunities via the Dream Homes Building Blog (<http://blog.dreamhomesltd.com>) and the Building Seminar, which has been offered bi-monthly for 6 years.

Among other core strengths, we believe that the “Dream Homes Nearly Famous Rebuilding Seminar”, as well as the informational blog known as the “Dream Homes Rebuilding Blog” are several of our key competitive advantages. At this time, we are not aware of any other building and development companies which offer these services to the public.

The *Nearly Famous* Rebuilding Seminar is held bi-monthly, and is a powerful educational tool for homeowners who need of rebuilding or renovations. This seminar has been presented steadily since early 2013, and is designed to educate and assist homeowners in deciphering the confusion about planning and executing complex residential construction projects. A professional team attends each seminar and presents on a diverse variety of topics, including expert advice from some or all of the following attendant at each seminar: architects, engineers, finance people, attorneys, project managers, elevation professionals and builder/general contractors. The seminar has been extremely successful and very helpful to hundreds of people. In addition, the seminar content offers unlimited potential for marketing short educational videos, as well as single topic books regarding many aspects of construction and renovation.

The “Dream Homes Building Blog” is an educational platform written by Vincent Simonelli, which offers comprehensive advice on all aspects of construction and real estate.

This seminar, as well as the Dream Homes Building Blog, have been an integral part of the Company’s marketing efforts and will continue to be in the future. Currently the blog, which is located at <http://blog.dreamhomesltd.com>, offers a wide variety of specific knowledge pertaining to construction, development, finance and general real estate matters. Built on a Word Press platform, the Building Blog is easily searchable by topic and a very useful resource for this demographic. Homeowners who need to build or rebuild are excellent candidates for all manner of educational material. As such, Dream Homes currently has in development a Nearly Famous Rebuilding after Sandy book, mobile application and numerous single topic publications which specifically explain particular aspects of the rebuilding process.

Common topics for short books and videos to be developed from the Building Seminar and Building Blog content will include: Foundation Systems, Wall Treatments, Elevating your Home to Allow for a Basement, Adding a Garage, Waterproofing below the Flood Plain, Cost/Benefit Analysis of Various Improvements, Siding and Roofing Options and numerous other subjects.

Our Growth Strategy

The Company has recognized that the effects of Super Storm Sandy, which occurred on 10/29/12 would be far reaching and cause an almost unlimited demand for construction information, as well as specific construction services. Due to the damage caused by the storm, as well as the material changes in the FEMA flood maps which now require over 30,000 homeowners along the New Jersey coastline to elevate their homes, the management team of Dream feels that pursuing new home construction and elevation/renovation projects will continue to produce a stable revenue stream for the company.

In addition to the Company's current projects, Dream Building LLC has also estimated an additional \$5,300,000 worth of residential construction projects and added over 200 active prospects to its data base. All of these prospects are prime candidates for educational videos and short books on specific construction and rebuilding topics, as well as candidates for rebuilding projects to be built under the Dream Building LLC division.

Management anticipates steady growth in this division of the company, since the rebuilding process will occur over the next 15-20 years, and have a market value of \$3,400,000,000. The company anticipates being able to efficiently address 5% - 10% of this market.

Properties & other assets

In regard to the category of real estate development, Dream Homes has acquired a contract for the development and construction of 58 new townhomes in central Ocean County, NJ. This acquisition was made for common stock and occurred in the 4th quarter of 2016. This development project is scheduled to begin in late 2018 or early 2019 and is projected to add approximately \$13,000,000 to the Company's gross sales, through its Dream Building LLC division.

The Company is also in contract and in the approval process for a 7-acre tract in central Ocean County, New Jersey, which will yield 13 single-family lots. This development project is scheduled to begin in late 2018 and is projected to add approximately \$4,500,000 to the Company's gross sales, through its Dream Building LLC division.

Additional information regarding these properties as well as other properties which the Company is working on currently can be found in the Management Discussions section below.

Finance and credit facilities

Dream Homes has secured a line of credit from a private lender for general working capital. This credit line is structured on an on-demand basis, bears an interest rate of 12% APR charged only for funds in use, and is in the amount of \$50,000. Though there are no specific uses for this facility at this time, management anticipates that it will be utilized to further expand various aspects of the company. The lender has indicated willingness to fund future real-estate based investments (such as acquisition of buildable lots, construction of new single family homes and single family home purchases for renovation), on an ongoing basis.

Our Products and Services

In addition to educational software, the Building Blog and the Building Seminar, the Company offers the following range of services and products: engineering & structural design, soil studies, architectural and design/build capabilities, construction management services, general contracting of all residential single and multi-family construction, helical and timber pile installation, masonry foundations and concrete work of all varieties, management of home elevation and moving projects and complete finish requirements for all interior construction. In the construction space, the Company offers a full turn key solution, from plan design through certificate of occupancy.

Marketing, Sales and Subscriber Support

One of the Company's most significant strengths is in social media and digital marketing. Due to the fact that content is being regularly generated through the blog and the seminars, there is a constant stream of new information that is being placed on Facebook, Twitter, the Rebuilding Blog and other media channels. The Company's Dream Building subsidiary is regularly ranked on the first page in Google searches and is a strong source of new inquiries and recurring business. The Company's web site can be found at www.dreamhomesltd.com and the blog at <http://blog.dreamhomesltd.com>.

Concentrations

Currently the concentrations of the Company's operations fall into 3 broad categories, as follows: New construction & development on single lots, renovation/elevation work, and new subdivisions for single and multi-family homes.

Our Markets

The Company seeks to become a fully integrated real estate company specializing in the elevation and moving of homes, development and sale of approved and improved land, and construction of townhouses, single-family homes and various residential properties located throughout southern New Jersey. Our principal real estate operations are currently conducted in the central & southern part of the State of New Jersey, although it is our intention to expand into additional markets based on market demand. It is our observation that the fundamental value of the land in southern New Jersey, particularly areas affected by Storm Sandy and represented by Ocean, Monmouth, Atlantic, Cape May, is currently at pricing levels which have not been seen in New Jersey for 10 – 15 years.

Because of the reduction in land values in New Jersey to levels that we feel represent attractive investment opportunities, we have the opportunity to offer homes at more competitive and affordable pricing levels. Our ability to offer elevation management, complete renovation, demolition and new construction and full architectural and engineering services gives us the ability to offer all clients a full range of services.

Our initial investment goal is to evaluate each property to determine the best path to take in order to maximize potential return for that particular property. With new construction, our intention is to purchase either fully improved or at least fully approved properties. Fully approved properties includes those having all the entitlements and permits in hand, and as needed, to post performance guarantees and/or file subdivision maps, and/or proceed with infrastructure construction, such as utilities, roads and other site improvements. With new construction, we have adopted this business model to help reduce our exposure to the many risks and costs associated with land development.

From time to time, and as we come across an outstanding investment opportunity in land development priced at a level that justifies the inherent risks and costs associated with land development, the Company may contract for, and will bring through the approval process, various types of raw land. The Company will continue to allocate capital in the pursuit of approvals, since the risk/reward of developmental activity is so great. It should be noted that we do not generally take ownership of the property until the approval process has been completed, but rather control the property through contracts and options. In these instances, if we should fail to obtain approvals for any reason, whether through unsuitability, change of zoning or other factors, our loss shall be limited to the money expended for the approvals to that date. Our planned business model includes the acquisition, construction, and sale of a variety of residential properties, including construction of entry-level and first time move-up single-family and multi-family homes.

In addition to offering traditional stick frame construction of our homes, we may also offer modular and manufactured homes, townhomes and condominiums.

In our opinion, the most effective business model for residential development and construction is to target the largest current and future segment of the home buying market, which appears to be primarily first-time and move-up purchasers, as well as those homeowners forced to move or relocate due to Storm Sandy, another storm related event, or obsolescence of their existing property. According to Zillow (<http://www.zillow.com/local-info/NJ-hjome-value/r40/>), the optimum size and price range for a starter or first time- move up single family home is 1600 – 2000 square feet and \$180,000 - \$230,000. Townhomes and condominium preferred size and price range is 1400 – 1800 square feet and \$170,000 - \$220,000.

In our opinion, the southern New Jersey real estate market represents one of the most attractive real estate investment opportunities, with the greatest opportunity for future appreciation being concentrated in Ocean, Atlantic, Cape May, Monmouth and Middlesex counties. These areas primarily fall within 1-hour driving time, and serve as “bedroom” communities for, the Atlantic City, New York and Philadelphia metropolitan areas. In our opinion, the residential housing demand in this area, particularly in the market segments which we intend to address, enjoys a fundamental support level, based on several factors. These factors include excellent air, rail and road infrastructure, Atlantic City casino and support services, tourism, and a central location between Philadelphia and New York. Additionally, there has been a chronic affordable housing shortage throughout New Jersey and all indication are that condition will continue for the foreseeable future. This situation plays well into the Company’s strengths, which are focused on entry level or first time move up housing, as well as elevations and renovations of existing damaged homes. Finally, all of these market areas have tremendous growth potential due to the effects of Storm Sandy on the available housing supply.

In addition, historically and according to the NJ Housing Affordability Index (<http://www.yourhousefast.com/housing-affor-index.asp>) which is currently 126, home ownership is more affordable than renting. In this case, the index being above 100 signifies that a family earning the median income has 26% more income than is necessary to qualify for a mortgage loan on a median-priced home, and therefore housing prices in these areas offer much better value than comparable properties in the North Jersey, New York and Philadelphia areas.

Nationwide, affordability is at an all-time high. According to the National Association of Home Builders, the Housing Opportunity Index (HOI) is at a record level, with 75.9% of all new and existing homes sold in the fourth quarter of 2011 considered to be affordable to families earning the national median income of \$64,200. See http://www.nahb.org/news_details.aspx?sectionID-135&newsID-15036 for more detail.

Zillow and the NJ Housing Affordability Index are publicly available at the web citations noted above, are constantly updated, and the Company’s management believes them to be accurate and reliable.

Employees

The company relies on certain administrative & payroll support for employees from Dream Homes Ltd., which currently owns 17.91% of the Company. DHL provides payroll services that includes the 2 officers of the Company, as well as certain employees and allocates payroll proportionately as required.

There are currently 13 full time employees, including 2 officers, in addition to a number of part time employees on an as-needed basis, who are being compensated under this arrangement. These include, but are not limited to, the following people listed below. As of December 31, 2017, the Company has not entered into any employment or consulting agreements.

The management team, which consists of the present officers of the corporation as well as others who are considered key personnel, is as follows:

Vincent Simonelli, President, CEO, Chairman

Kathleen Dotoli, Esq., Director

Rich Pezzullo, Director, VP Information services

Valerie Jones, Secretary and VP Human Resources

Louis A. Obsuth, VP Sales

Mark Sampson, Regional Construction Supervisor

Dave Shaheen, Esq., General Counsel, Real Estate

John Bonello, Esq., General Counsel, Litigation

Colin Schmidt Esq., General Counsel, Litigation

Christopher Dieterich, Esq., Securities Counsel and overall moral authority figure

Vincent Simonelli, CEO, Director and President: Dream Homes & Development Corp.'s senior manager and principal, Vincent C. Simonelli, has over 24 years of active experience in real estate finance, development, construction and marketing. Currently, Mr. Simonelli is President and Chairman for Dream Homes & Development Corp., and Managing Member of Dream Building LLC. Since 1993, Mr. Simonelli has developed, built and marketed over 200,000 square feet of commercial and over 1700 residential dwellings. Mr. Simonelli's knowledge of the developmental and approval process throughout New Jersey makes him qualified to lead the Company in its real estate acquisition and development efforts. Mr. Simonelli attended Montclair State College, the NY Institute of Finance, and Ocean County College.

Kathleen M. Dotoli, Esquire, Director: Kathleen a member of the Ocean County Bar and a Worker's Compensation and Social Security Disability law specialist in NJ. And is one of the top ten practitioners in the New Jersey in those fields. Kathleen has personally conferred, settled and/or tried over one thousand workers' compensation claims during the course of twenty-two year legal career, addressing such issues as state temporary disability liens, private health care subrogation claims, Medicare lien issues and set-aside trusts, child support liens, and outstanding medical bills. Kathleen is a Juris Doctor, Quinipiac University School of Law 1994, Hamden CT; Bachelor of Science, Fairleigh Dickinson University, 1990 Hackensack, NJ.

Kathleen is a board member of the American Red Cross, a board trustee, Co-Chair for the Worker's Compensation and member of the Pro-Bono Committees for the Ocean County Bar Association, an executive member of the NJ State Bar, and member of the NJ State and American Bar Associations.

Richard Pezzullo, Director, VP Information Services: Richard Pezzullo is a graduate of Cornell University and served 20 years in the US Army Reserve, attaining the rank of Major. Since 1990, he has built and continues to run Netcentric Computer Solutions, which provides Information Technology and CTO/CIO services and currently support over 15,000 workstations in 60 locations throughout the US, UK, Japan and Morocco.

Mr. Pezzullo regularly advises managers on the operational ramifications of decisions made regarding software deployment, employee retention and project implementation, and over the past 15 years his breadth of knowledge across industry lines has been beneficial to Dream's senior management. Rich lives in Freehold, NJ with his wife and has 3 children in college and graduate school.

Valerie Jones, Secretary and VP Human Resources: Valerie is responsible for the recruiting, hiring, supervision and the training of office and field staff. She is responsible for the development of policy and procedures as well as the implementation of company protocol. Valerie provides strategic leadership in all facets of human resource management, oversees the daily management of all accounting operations and maintains all customer contracts, vendor accounts and payroll service. Valerie continues her education with the attendance of educational seminars and classes and has been with the company since 2011.

Louis A. Obsuth, VP Sales: Lou A. Obsuth is a retired Passaic County detective, a Point Pleasant resident for over 20 years and has successfully run Jersey Proud Modular in Point Pleasant for the last 8 years. Lou has extensive experience in modular and elevation construction, as well as general sales and marketing and heads the Company's Modular Division.

Mark Sampson, Regional Supervisor: Mark Sampson has been with the Company for 6 years and manages a number of projects for Dream Homes. Mark has extensive experience in all phases of carpentry, framing, client and team management.

Dave Shaheen, Esq., General Counsel, Real Estate

John Bonello, Esq., General Counsel, Litigation

Christopher Dieterich, Esq., Securities Counsel and overall moral authority figure

MANAGEMENT POLICIES

It is the policy of management to conduct the business of the company under generally accepted practices, complying with all rules and regulations, which govern this type of business. The Company has also adopted a Code of Ethics which must be followed by all members of the management team and which is filed as Exhibit 14.1 hereto.

Legal Proceedings

To the knowledge of the officers and directors of the Company, neither the Company nor any of its officers or directors is a party to any material legal proceeding or litigation and such persons know of no material legal proceeding or litigation contemplated or threatened. Additionally, there are no judgments against the Company or its officers or directors. None of the officers or directors has been convicted of a felony or misdemeanor relating to securities or performance in corporate office.

Facilities

The Company currently occupies a 2000 square foot office space at 314 S. Main Street in Forked River, NJ which is rented for \$2,000 per month, on a net, net basis. The Company also maintains a design showroom at 2109 Bridge Avenue in Point Pleasant, which is leased at \$2200 per month on a net basis.

Item 1A. Risk Factors

THE PURCHASE OF THE SHARES IS HIGHLY SPECULATIVE AND INVOLVES A HIGH DEGREE OF RISK. EACH PROSPECTIVE INVESTOR IS URGED TO CONSIDER CAREFULLY THE RISK FACTORS DISCUSSED BELOW, IN ADDITION TO THE RISKS SET FORTH ELSEWHERE, IN DETERMINING WHETHER AN INVESTMENT IN THE COMPANY SHOULD BE MADE AND IS APPROPRIATE FOR THEM. YOU SHOULD NOT INVEST IN OUR COMMON STOCK UNLESS YOU CAN AFFORD TO LOSE YOUR ENTIRE INVESTMENT AND YOU ARE NOT DEPENDENT ON THE FUNDS YOU ARE INVESTING.

Our Board of Directors contains one independent director.

Our board is composed of three members, Vincent Simonelli, Kathleen Dotoli & Richard Pezzullo. Mr. Simonelli and affiliated companies, current own or control 56.80% of the issued and outstanding common stock shares of Dream Homes & Development Corporation. Kathleen Dotoli is the second board member and an independent director. Mr. Pezzullo is an employee of Dream Homes, serving as the VP of Information Technology, as well as third member of the board. The NASDAQ is the exchange that we selected in order to determine whether our directors and committee members meet the independence criteria of a national securities exchange, as required by Item 407(a)(1) of Regulation S-K. An independent director means a person who is not an employee (or a relative of an employee), who has no material business relationship with the company, and is not a significant owner of the company's shares. Due to our small size, the Company does not presently have a separately designated audit committee, compensation committee, or nominating committee.

Our home sales and operating revenues could decline due to macro-economic and other factors outside of our control, such as changes in consumer confidence and declines in employment levels.

Changes in national and regional economic conditions, as well as local economic conditions where we conduct our operations and where prospective purchasers of our homes live, may result in more caution on the part of homebuyers and, consequently, fewer home purchases. These economic uncertainties involve, among other things, conditions of supply and demand in local markets and changes in consumer confidence and income, employment levels, and government regulations. These risks and uncertainties could periodically have an adverse effect on consumer demand for and the pricing of our homes, which could cause our operating revenues to decline. Failure to achieve revenues, or a reduction in our revenues once achieved, could, in turn, negatively affect the market price of our securities. The homebuilding industry is cyclical, has from time to time experienced significant difficulties, and is significantly affected by changes in general and local economic conditions such as:

- employment levels and job growth;
- availability of financing for home buyers;
- interest rates;
- consumer confidence;
- housing demand; and
- population growth.

An oversupply of alternatives to new homes, such as rental properties and used homes could depress prices and reduce margins for the sale of new homes.

Weather conditions and natural disasters such as hurricanes, tornadoes, earthquakes, floods and fires can harm the local homebuilding business.

The difficulties described above could cause us to take longer and incur more costs to build our homes. We may not be able to recapture increased costs by raising prices in many cases because we fix our new home prices up to twelve months in advance of delivery by signing home sales contracts. In addition, some home buyers may cancel or not honor their home sales contracts altogether.

A substantial increase in mortgage interest rates or unavailability of mortgage financing may reduce consumer demand for our homes.

Virtually all purchasers of our homes finance their acquisitions through lenders providing mortgage financing. A substantial increase in mortgage interest rates or unavailability of mortgage financing would adversely affect the ability of prospective first time and move-up homebuyers to obtain financing for our homes, as well as adversely affect the ability of prospective move-up homebuyers to sell their current homes. As a result, once we commence sales, our margins, revenues, and cash flows may also be adversely affected.

If we are unsuccessful in competing against our homebuilding competitors, our market share could decline or our growth could be impaired and, as a result, our financial results could suffer. Notwithstanding that potential risk, the barriers to entry in the elevation/renovation portion of our business are very high, primarily due to the complexity of the home elevation process.

Though competition in the homebuilding industry is intense, and there are relatively low barriers to entry into the new home building business, there is markedly less competition in the elevation/renovation portion of the business. This is primarily due to the complexity and technical difficulty of the home elevation business. Increased competition in the new home building business could hurt our business, as it could prevent us from acquiring attractive parcels of land on which to build homes or make such acquisitions more expensive, hinder our market share expansion, and lead to pricing pressures on our homes that may adversely impact our margins and revenues. If we are unable to successfully compete, our financial results could suffer and the value of, or our ability to service, our debt, including the notes, could be adversely affected.

In the elevation/renovation portion of our business, competition has lessened over the last several years, due to the reasons listed above. Consequently, the Company's market share of this portion of our business has increased, as competitors have abandoned the elevation / renovation business and focused on new home construction, which is markedly less difficult than completing elevation projects.

We could experience a reduction in new home sales and revenues or reduced cash flows due to our inability to acquire land for our housing developments if we are unable to obtain reasonably priced financing to support our homebuilding activities. Notwithstanding, the elevation/renovation portion of our business should suffer little or no effect for these reasons, since the primary source of funds for this type of project is private and client based.

The new homebuilding industry is capital intensive, and homebuilding requires significant up-front expenditures to acquire land and begin development. Accordingly, we incur substantial indebtedness to finance our homebuilding activities. Although we believe that internally generated funds and available borrowings under our revolving credit facility will be available to fund our capital and other expenditures (including land purchases in connection with ordinary development activities), the amounts available from such sources may not be sufficient. If such sources are not sufficient, we would seek additional capital in the form of equity or debt financing from a variety of potential sources, including additional bank financing and/or securities offerings. The amount and types of indebtedness which we may incur are limited by the terms of the indentures governing the notes and our other existing debt.

Although as noted above, the new homebuilding industry is very capital intensive, the elevation/renovation portion of our business should suffer little or no effect, since the primary source of funds for this type of project is private and client based. At this time approximately 75% of our revenue is based on elevation/renovation work, which is not subject to any great degree to the availability or lack thereof, of institutional capital. The Company may need to seek out loans from banks to finance these projects. As part of their financing agreements, the banks typically require Vincent Simonelli to personally guarantee these loans. If Mr. Simonelli cannot qualify as a guarantor and there is no one other than him in the Company to provide those guarantees, the financing of the deals may be adversely affected. The exact amount of funding required for each particular property is not clear at the present time but will be determined when full approvals have been obtained and the Company is prepared to take title for each individual property.

We are subject to extensive government regulation which could cause us to incur significant liabilities or restrict our business activities.

Changes in regulatory requirements could cause us to incur significant liabilities and operating expenses and could restrict our business activities. We are subject to local, state and federal statutes and rules regulating, among other things, certain developmental matters, building and site design, and matters concerning the protection of health and the environment.

We may incur additional operating expenses due to compliance programs or fines, penalties and remediation costs pertaining to environmental regulations within our markets.

We are subject to a variety of local, state, and federal statutes, ordinances, rules, and regulations concerning the protection of health and the environment. The particular environmental laws, which apply to any given community, vary greatly according to the community site, the site's environmental conditions, and the present and former use of the site. Environmental laws may result in delays, may cause expensive compliance programs and us to implement time consuming and may prohibit or severely restrict development in certain environmentally sensitive regions or areas. From time to time, the United States Environmental Protection Agency and similar federal or state agencies review homebuilders' compliance with environmental laws and may levy fines and penalties for failure to strictly comply with applicable environmental laws or impose additional requirements for future compliance as a result of past failures. Any such actions taken with respect to us may increase our costs. Further, we expect that increasingly stringent requirements will be imposed on homebuilders in the future. Environmental regulations can also have an adverse impact on the availability and price of certain raw materials such as lumber.

We may be subject to significant potential liabilities because of construction defect, product liability, and warranty claims made against us.

As a homebuilder, we have been, and continue to be, subject to construction defect, product liability, and home warranty claims, including moisture intrusion and related mold claims, arising in the ordinary course of business. These claims are common to the homebuilding industry and can be costly.

With respect to certain general liability exposures, including construction defect, moisture intrusion and related mold claims and product liability, interpretation of underlying current and future trends, assessment of claims and the related liability and reserve estimation process is highly judgmental due to the complex nature of these exposures, with each exposure exhibiting unique circumstances. Furthermore, once claims are asserted for construction defects, it is difficult to determine the extent to which the assertion of these claims will expand geographically. Although we have obtained insurance for construction defect claims, such policies may not be available or adequate to cover any liability for damages, the cost of repairs, and/or the expense of litigation surrounding current claims, and future claims may arise out of uninsurable events or circumstances not covered by insurance and not subject to effective indemnification agreements with our subcontractors.

Our operating expenses could increase if we are required to pay higher insurance premiums or litigation costs for claims involving construction defect and product liability claims, which could cause our net income to decline.

The costs of insuring against construction defect and product liability claims are high, and the amount and scope of coverage offered by insurance companies is currently limited. This coverage may be further restricted and may become more costly.

Increasingly in recent years, lawsuits (including class action lawsuits) have been filed against builders, asserting claims of personal injury and property damage caused by the presence of mold in residential dwellings. Our insurance may not cover all of the claims, including personal injury claims, arising from the presence of mold, or such coverage may become prohibitively expensive. If we are not able to obtain adequate insurance against these claims, we may experience losses that could reduce our net income and restrict our cash flow available to service debt.

Historically, builders have recovered from subcontractors and their insurance carriers a significant portion of the construction defect liabilities and costs of defense that the builders have incurred. Insurance coverage available to subcontractors for construction defects is becoming increasingly expensive, and the scope of coverage is restricted. If we cannot effectively recover from our subcontractors or their carriers, we may suffer greater losses which could decrease our net income.

Raw material and labor shortages and price fluctuations could delay or increase the cost of new home construction and adversely affect our operating results.

The homebuilding industry has from time to time experienced raw material and labor shortages. In particular, shortages and fluctuations in the price of lumber or in other important raw materials could result in delays in the start or completion of, or increase the cost of, developing one or more of our residential communities. In addition, we contract with subcontractors to construct our homes. Therefore, the timing and quality of our construction depends on the availability, skill and cost of our subcontractors. Delays or cost increases caused by shortages and price fluctuations could harm our operating results, the impact of which may be further affected by our ability to raise sales prices.

We experience fluctuations and variability in our operating results on a quarterly basis and, as a result, our historical performance may not be a meaningful indicator of future results.

Our operating results in a future quarter or quarters may fall below expectations of securities analysts or investors and, as a result, the market value of the common stock, whether trading or not, may fluctuate. Because of such variability, our historical performance may not be a meaningful indicator of future results. Our quarterly results of operations may continue to fluctuate in the future because of a variety of both national and local factors, including, among others:

- the timing of home closings and land sales;
- our ability to continue to acquire additional land or secure option contracts to acquire land on acceptable terms;
- conditions of the real estate market in areas where we operate and of the general economy;
- raw material and labor shortages;
- seasonal home buying patterns; and
- other changes in operating expenses, including the cost of labor and raw materials, personnel and general economic conditions.

Our future growth may include additional acquisitions of companies that may not be successfully integrated and may not achieve expected benefits.

Acquisitions of companies may contribute to our growth and be a component of our growth strategy. Consistent with this strategy, we may engage in discussions with and evaluate potential acquisition targets, some of which may be significant, although we currently have no binding definitive agreements for any significant acquisitions of companies. In the future, we may acquire other businesses. Because of acquisitions of companies, we may need to seek additional financing and integrate product lines, dispersed operations, and distinct corporate cultures. These integration efforts may not succeed or may distract our management from operating our existing business. Additionally, we may not be able to enhance our earnings because of acquisitions. Our failure to successfully manage future acquisitions could harm our operating results.

The occurrence of natural disasters could increase our operating expenses and reduce our revenues and cash flows.

The climates and geology of the states in which we operate (currently solely located within New Jersey) present increased risks of natural disasters. To the extent that hurricanes, severe storms, droughts, floods, wildfires or other natural disasters or similar events occur, our homes that might be under construction in the future or any of our building lots in such states could be damaged or destroyed, which may result in losses exceeding our insurance coverage. Any of these events could increase our operating expenses, impair our cash flows, and reduce our revenues, which could, in turn, negatively affect the market price of our securities.

Future terrorist attacks against the United States or increased domestic or international instability could have an adverse effect on our operations.

Adverse developments in the war on terrorism, future terrorist attacks against the United States, or any outbreak or escalation of hostilities between the United States and any foreign power, including the armed conflict with Iraq, may cause disruption to the economy, our company, our employees and our customers, which could adversely affect our revenues, operating expenses, and financial condition.

Compliance with changing regulation of corporate governance and public disclosure may result in additional expenses, which as a smaller public company may be disproportionately high.

Changing laws, regulations and standards relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act, new SEC regulations, and stock market rules, are creating uncertainty for development companies such as us. These new and changing laws, regulations and standards are subject to varying interpretations in many cases due to their lack of specificity, and as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies, which could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. As a result, our efforts to comply with evolving laws, regulations, and standards will likely result in increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities. If we are unable to comply with the newly enacted JOBS Act regulations, which lessen if not eliminate the harsher impact of some of the reporting requirements, expenses will remain higher than other companies which are able to meet the new rules. In particular, our efforts to comply with Section 404 of the Sarbanes-Oxley Act and the related regulations regarding our required assessment of our internal controls over financial reporting and our independent registered public accounting firm's audit of that assessment will require the commitment of significant financial and managerial resources. We expect these efforts to require the continued commitment of significant resources. Further, our board members, chief executive officer, and chief financial officer could face an increased risk of personal liability in connection with the performance of their duties. As a result, we may have difficulty attracting and retaining qualified board members and executive officers, which could slow down our business. If we are unable to fully comply with new or changed laws, regulations and standards, or if our efforts differ from the activities intended by regulatory or governing bodies due to ambiguities related to practice, our reputation may be harmed and our stock price may suffer.

Failure to achieve and maintain effective internal controls in accordance with Section 404 of the Sarbanes-Oxley Act of 2002 could have a material adverse effect on our business and operating results. In addition, current and potential stockholders could lose confidence in our financial reporting, which could have an adverse effect on our stock price.

Effective internal controls are necessary for us to provide reliable financial reports and effectively prevent fraud. If we cannot provide reliable financial reports or prevent fraud, our operating results could be harmed. If we are unable to maintain the status of "Emerging Growth Company", we will be required to document and test our internal control procedures in order to satisfy the requirements of Section 404 of the Sarbanes-Oxley Act of 2002, which requires annual management assessments of the effectiveness of our internal controls over financial reporting and a report by our independent registered public accounting firm addressing these assessments. Although we intend to augment our internal controls procedures and expand our accounting staff, there is no guarantee that this effort will be adequate.

We may need additional capital in the future, but there is no assurance that funds will be available on acceptable terms.

We may need to raise additional funds in order to achieve growth or fund other business initiatives. This financing may not be available in sufficient amounts or on terms acceptable to us and may be dilutive to existing stockholders. Additionally, any securities issued to raise funds may have rights, preferences or privileges senior to those of existing stockholders. If adequate funds are not available or are not available on acceptable terms, our ability to expand, develop or enhance services or products, or respond to competitive pressures will be limited.

RISKS RELATING TO OUR COMMON SHARES

You will not receive dividend income from an investment in the shares and as a result, you may never see a return on your investment.

We have never declared or paid a cash dividend on our shares nor will we in the foreseeable future. We currently intend to retain any future earnings, if any, to finance the operation and expansion of our business. Accordingly, investors who anticipate the need for immediate income from their investments by way of cash dividends should refrain from purchasing any of the securities offered by our company. As we do not intend to declare dividends in the future, you may never see a return on your investment and you indeed may lose your entire investment.

Rule 144

In general, persons who have beneficially owned restricted shares of our common stock for at least six months, and any affiliate of the company who owns either restricted or unrestricted shares of our common stock, are entitled to sell their securities without registration with the SEC under an exemption from registration provided by Rule 144 under the Securities Act.

Non-Affiliates

Any person who is not deemed to have been one of our affiliates at the time of, or at any time during the three months preceding a sale, may sell an unlimited number of restricted securities under Rule 144 if:

- the restricted securities have been held for at least six months (including the holding period of any prior owner other than one of our affiliates);
- we have been subject to the Exchange Act periodic reporting requirements for at least 90 days before the sale; and
- we are current in our Exchange Act reporting at the time of sale.

Affiliates

Persons seeking to sell restricted securities who are our affiliates at the time of, or any time during the three months preceding, a sale, would be subject to the restrictions described above. They are also subject to additional restrictions, by which such person would be required to comply with the manner of sale and notice provisions of Rule 144 and would be entitled to sell within any three-month period only that number of securities that does not exceed the greater of either of the following:

- the average weekly trading volume of our common stock during the four calendar weeks preceding the filing of a notice on Form 144 with respect to the sale.

Additionally, persons who are our affiliates at the time of, or any time during the three months preceding, a sale may sell unrestricted securities under the requirements of Rule 144 described above, without regard to the six month holding period of Rule 144, which does not apply to sales of unrestricted securities.

Unlimited Resales by Non-Affiliates

Any person who is not deemed to have been an affiliate of ours at the time of, or at any time during the three months preceding, a sale and has held the restricted securities for at least one year, including the holding period of any prior owner other than one of our affiliates, will be entitled to sell an unlimited number of restricted securities without regard to the length of time we have been subject to Exchange Act periodic reporting or whether we are current in our Exchange Act reporting.

Our common stock is a “Penny Stock,” and compliance with requirements for dealing in penny stocks may make it difficult for holders of our common stock to resell their shares.

Our common stock is currently listed in the public market in what is known as the over-the-counter market and at least for the foreseeable future, our common stock will be deemed to be a “penny stock” as that term is defined in Rule 3a51-1 under the Securities Exchange Act of 1934. Rule 15g-2 under the Exchange Act requires broker/dealers dealing in penny stocks to provide potential investors with a document disclosing the risks of penny stocks and to obtain from these investors a manually signed and dated written acknowledgement of receipt of the document before effecting a transaction in a penny stock for the investor’s account. Compliance with these requirements may make it more difficult for holders of our common stock to resell their shares to third Parties or otherwise, which could have a material adverse effect on the liquidity and market price of our common stock.

Penny stocks are stocks with a price of less than \$5.00 per share unless traded on NASDAQ or a national securities exchange.

Penny stocks are also stocks, which are issued by companies with Net tangible assets of less than \$2.0 million (if the issuer has been in continuous operation for at least three years); or \$5.0 million (if in continuous operation for less than three years); or average revenue of less than \$6.0 million for the last three years.

Our stock price may fluctuate significantly, and you may not be able to resell your shares at or above the current market price.

The trading price of our common stock is likely to be volatile and subject to wide price fluctuations in response to various factors, including:

- regulatory or political developments;
- market conditions in the broader stock market;
- actual or anticipated fluctuations in our quarterly financial and results of operations;
- introduction of new products or services by us or our competitors;
- issuance of new or changed securities analysts' reports or recommendations;
- investor perceptions of us and the construction industry;
- sales, or anticipated sales, of large blocks of our stock;
- additions or departures of key personnel;
- litigation and governmental investigations; and
- changing economic conditions.

These and other factors may cause the market price and demand for our common stock to fluctuate substantially, which may limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the liquidity of our common stock. In addition, in the past, when the market price of a stock has been volatile, holders of that stock have sometimes instituted securities class action litigation against the Company that issued the stock. If any of our stockholders were to bring a lawsuit against us, we could incur substantial costs defending the lawsuit. Such a lawsuit could also divert the time and attention of our management from our business.

Sales of substantial amounts of our common stock in the public markets, or the perception that such sales might occur, could reduce the price of our common stock and may dilute your voting power and your ownership interest in us.

If our existing stockholders sell substantial amounts of our common stock in the public market, the market price of our common stock could decrease significantly. The perception in the public market that our existing stockholders might sell shares of common stock could also depress our market price

Insiders have substantial control over us and could limit your ability to influence the outcome of key transactions, including a change of control.

As of December 31, 2017, our principal stockholders, directors, and executive officers and entities affiliated with them owned approximately 79.0 % of the outstanding shares of our common stock. As a result, these stockholders, if acting together, would be able to influence or control matters requiring approval by our stockholders, including the election of directors and the approval of mergers or other extraordinary transactions. They may also have interests that differ from yours and may vote in a way with which you disagree and which may be adverse to your interests. The concentration of ownership may have the effect of delaying, preventing, or deterring a change of control of our company, could deprive our stockholders of an opportunity to receive a premium for their common stock as part of a sale of our company and may materially adversely affect the market price of our common stock.

As a public company, we are required to:

- Prepare and distribute periodic public reports and other stockholder communications in compliance with our obligations under the federal securities laws and OTCBB rules;
- create or expand the roles and duties of our board of directors and committees of the board;
- maintain a more comprehensive financial reporting and disclosure compliance functions;
- maintain an accounting and financial reporting department, including personnel with expertise in accounting and reporting for a public company;
- enhance and formalize closing procedures at the end of our accounting periods;
- maintain an internal audit function;
- enhance our investor relations function;
- establish and maintain new internal policies, including those relating to disclosure controls and procedures; and
- involve and retain to a greater degree outside counsel and accountants in the activities listed above.

These requirements entail a significant commitment of additional resources. We may not be successful in implementing these requirements and implementing them could adversely affect our business or results of operations. In addition, if we fail to implement the requirements with respect to our internal accounting and audit functions, our ability to report our results of operations on a timely and accurate basis could be impaired.

Item 1B. Unresolved Staff Comments

None.

Item 2. Properties

Our corporate headquarters are located at 314 South Main Street, Forked River, NJ 08731.

Item 3. Legal Proceedings

We currently are not subject to any material litigation or regulatory proceedings.

PART II

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

The common stock is currently traded on the OTCQB under the ticker symbol DREM.

There are currently 24,000,993 shares of common stock issued and outstanding held by approximately 58 holders of record.

Item 6. Selected Financial Data

The following selected financial data has been derived from and should be read in conjunction with our financial statements and related notes in Item 15 of this report and our Management's Discussion and Analysis of Financial Condition and Results of Operations in Item 7 of this report.

	<u>December 31, 2018</u>		<u>December 31, 2017</u>
	(Unaudited)		As restated- (See Note 13) (Unaudited)
Statements of Income:			
Revenue	\$ 2,574,953	\$	2,970,246
Gross profit	1,068,324		1,021,145
Income (loss) from continuing operations	140,949		(19,397)

Net income (loss)	\$	119,424	\$	(19,397)
Basic and diluted loss per common share	\$.00	\$	(.00)
Balance Sheet Data:				
Cash	\$	118,687	\$	244,684
Total assets		979,650		678,845
Total liabilities		665,610		484,229
Total Stockholders' equity	\$	314,040	\$	194,616

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OR PLAN OF OPERATION

Forward-Looking Statements

Management's Discussion and Analysis or Plan of Operation contains "forward-looking" statements, as well as historical information. Although we believe that the expectations reflected in these forward-looking statements are reasonable, we can give no assurance that the expectations reflected in these forward-looking statements will prove to be correct. Forward-looking statements include those that use forward-looking terminology, such as the words "anticipate," "believe," "estimate," "expect," "intend," "may," "project," "plan," "will," "shall," "should," and similar expressions, including when used in the negative. Although we believe the expectations reflected in these forward-looking statements are reasonable and achievable, these statements involve risks and uncertainties, and no assurance can be given that actual results will be consistent with these forward-looking statements. Current shareholders and prospective investors are cautioned that any forward-looking statements are not guarantees of future performance. Such forward-looking statements by their nature involve substantial risks and uncertainties, certain of which are beyond our control, and actual results for future periods could differ materially from those discussed in this report, depending on a variety of important factors, among which are our ability to implement our business strategy, our ability to compete with major established companies, the acceptance of our products in our target markets, our ability to attract and retain qualified personnel, our ability to obtain financing, our ability to continue as a going concern, and other risks described from time to time in our filings with the Securities and Exchange Commission. Forward-looking statements contained in this report speak only as of the date of this report. Future events and actual results could differ materially from the forward-looking statements. You should read this report completely and with the understanding that actual future results may be materially different from what management expects. We will not update forward-looking statements even though its situation may change in the future.

We undertake no obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Important factors on which such statements are based are assumptions concerning uncertainties, including but not limited to uncertainties associated with the following:

- (a) potential fluctuation in quarterly results;

- (b) our failure to earn revenues or profits;
- (c) inadequate capital and barriers to raising the additional capital or to obtaining the financing needed to implement our business plans;
- (d) inadequate capital to continue business;
- (e) changes in demand for our products and services;
- (f) rapid and significant changes in markets;
- (g) litigation with or legal claims and allegations by outside parties;
- (h) insufficient revenues to cover operating costs.

You should read the following discussion and analysis in conjunction with our financial statements and notes thereto, included herewith. This discussion should not be construed to imply that the results discussed herein will necessarily continue into the future, or that any conclusion reached herein will necessarily be indicative of actual operating results in the future. Such discussion represents only the best present assessment of management.

PLAN OF OPERATION

Building on a history of over 1,500 new homes built, the management of Dream Homes & Development Corporation has positioned the company to emerge as a rapidly growing regional developer of new single-family subdivisions as well as a leader in coastal construction, elevation and mitigation. In the six years that have passed since Superstorm Sandy flooded over 30,000 owner-occupied homes, Dream Homes has helped hundreds of homeowners to rebuild or raise their homes to comply with new FEMA requirements. While other builders have struggled to adapt to the changing market and complex Federal, State and local regulations involved with coastal construction in Flood Hazard Areas, Dream Homes has excelled. As many of our competitors have failed, Dream Homes has developed a reputation as the region's most trusted builder and has even become known as the "rescue" builder for homeowners whose projects have been abandoned by others. Due to the damage caused by the storm, as well as the material changes in the FEMA flood maps which now require over 30,000 homeowners along the New Jersey coastline to elevate their homes, Dream Homes is positioned to capitalize on this opportunity for substantial revenue growth.

Management recognized that the effects of Super Storm Sandy, which occurred on 10/29/12, would be far reaching and cause an almost unlimited demand for construction services, as well as specific construction information. Due to the damage caused by the storm, as well as the material changes in the FEMA flood maps which now require over 30,000 homeowners along the New Jersey coastline to elevate their homes, management feels that focusing on the construction field will continue to provide a stable revenue stream for the company.

In addition to the New Jersey market, the Company, through its Dream Building LLC subsidiary, has become licensed in Florida to pursue recent opportunities for elevation, restoration, renovation and new construction brought about by the damage caused by recent hurricanes. Initial markets to be targeted are located primarily in the southwest portion of the state, between Naples and Cape Coral.

Dream Building LLC operates as a wholly owned subsidiary of Dream Homes and Development Corporation and continues to pursue opportunities in the real estate field, specifically in new home construction, home elevations and renovations. The amount of these projects currently under contract as of December 31, 2018 is \$3,642,144.

In addition to the above projects, which are in process, Dream Building LLC has also estimated an additional \$5,300,000 worth of residential construction projects and added over 200 active prospects to its data base. All of these prospects are prime candidates for educational videos and short books on specific construction and rebuilding topics, as well as candidates for rebuilding projects to be built under the Dream Building LLC division.

In addition to the projects which the Company currently has under contract for elevation, renovation, new construction and development, there are a number of parcels of land which the Company has the ability to secure, whether through land contract or other types of options. These parcels represent additional opportunities for development and construction potential on the order of an additional 400 - 800 lots and/or residential units to be developed and built within an approximate time horizon of 5 years. Conceivably, this volume of production could yield \$120,000,000 - \$240,000,000 in gross revenue and \$25,000,000 - \$50,000,000 in earnings to the Company.

The Company's acquisition of Jersey Dream Modular Homes in May of 2017, as well as the opening of the Modular Design, Kitchen and Bath Showroom at 2109 Bridge Avenue in Point Pleasant has enabled the Company to more effectively serve the northern Ocean, Monmouth and Middlesex County markets, as well as increase market share in the modular home market.

On October 20, 2018, the Company acquired a significant portion of the assets of Premier Modular Homes, located in Little Egg Harbor, NJ. This company has a 23-year track record serving southern Ocean County, with a concentration on Long Beach Island. These acquired assets include physical as well as intellectual property, such as phone numbers, web site, use of the Premier Modular Home name, equipment, vehicles and trailers.

The Company also leased the physical premises, including office, showroom, garage and yard space.

With this latest acquisition of Premier Modular, the continued operation of the Jersey Dream Design Center in Point Pleasant and the Company's main office location in Forked River, the Company has positioned itself to well serve a significant portion of the entire coastal region, from southern Ocean County north to Middlesex County.

Properties currently under contract to purchase and in the development stage

Dream Homes is in contract and under development for a parcel which will yield 48 new townhomes or 72 apartments in the Ocean County NJ area. This acquisition was made for common stock and occurred in the 4th quarter of 2016. This property is currently in the approval process. This development project is scheduled to begin in 2019 and is projected to add approximately \$13,000,000 to the Company's gross sales, through its Dream Building LLC division.

The Company has received preliminary CAFRA approval for the 58-unit townhouse development. A planning board hearing for preliminary and final site plan and subdivision approval occurred on December 11, 2017, which produced input and comments from the Planning Board as well as surrounding homeowners. Currently, the property is subject to an application with the state planning commission to be designated as a CAFRA Town Center property, which will enable greater density. As such the planning board has agreed to reschedule the hearing pending passage of this planning zone by New Jersey. It is anticipated that this project will be heard again in early 2019. Sales at retail for this development should be in the \$16 million-dollar range.

The Company is in contract and in the approval process for a 7-acre tract in central Ocean County, New Jersey, which will yield 13 single-family lots. This development project is scheduled to begin in late 2018 and is projected to add approximately \$4,500,000 to the Company's gross sales, through its Dream Building LLC division.

Dream submitted a use variance application to the Board of Adjustment for approval for 13 single family lots, which are fully improved. This application was deemed complete by the town engineer and was heard on April 11, 2018. The zoning board refused to rule on the application, and instructed the company to make application to the planning board. A planning board application will be made during the 4th quarter of 2018, with the intention to be heard at the January hearing. The construction start date is estimated for 2019 and these homes are planned for high-efficiency construction techniques, including passive solar roof panels, insulation of R50 in walls and ceilings, low-flow toilets and faucets and LED lighting throughout. Sales at retail for this development are projected to be in the \$4 million-dollar range.

The Company has signed a letter of intent and a contract will be signed to acquire the rights to a purchase contract via contract assignment for 48 waterfront townhomes with boat slips in Lacey, NJ. The project is currently in the approval process and significant engineering, environmental, traffic and architectural work has been completed. The property is partially improved with all boat slips built. It has a retail value of \$21 million and is expected to start in 2019.

On April 24, 2018, the Company signed a contract to purchase a single-family waterview home in Ocean Township, NJ for \$68,000. This property was subsequently acquired on July 12, 2018, and a variance was obtained on November 15, 2018. The home is in need of elevation and renovation, which is expected to cost an additional \$125,000. It is the Company's intention to renovate and sell the property. The property is expected to sell to a 3rd party purchasers for approximately \$350,000.

On May 11, 2018, the Company received back a signed letter of intent to purchase 2.3 acres of property in Berkeley Township, NJ. The property was previously approved for 12 duplex residential units. A contract has been signed on this property and the Company is in the due diligence stage. The proposed purchase price is \$370,000.

On May 3, 2018, the Company submitted a signed letter of intent to purchase 5.5 acres of property in Gloucester County, which is currently being approved for a 120-unit apartment complex. in the amount of \$1,080,000. The Company has subsequently signed a contract for this property, for which the Seller is responsible to obtain final approvals.

On May 17, 2018, the Company submitted a signed contract to purchase a 700 KW property to be developed as a solar farm in Glassboro, NJ. The Company has subsequently signed a contract for this property, for which the Seller is responsible to obtain final approvals.

The purchase price is \$900,000 and the contract is subject to obtaining funding for the solar array as well as a portion of the purchase price. There is also a PPA (power production agreement) in place with a nursing home adjacent to the property, to purchase the entire electrical output for the next 20 years.

Properties in discussion with signed letters of intent, not in contract

A revised 3rd letter of intent (LOI) has just been offered to acquire 70 townhouse lots in Ocean County, NJ and it is Management's opinion that this property is moving forward to contract. This property is approved and unimproved. The project is slated to begin in the middle of 2019 and has a retail value of \$17 million.

A signed LOI has been offered to build 80 single family lots in Mickleton, NJ to begin early to middle 2018 with a retail value of \$50 million This property is approved and partially improved.

Discussions have been occurring since December of 2017 and a signed letter of intent has been offered to acquire property to develop 102 townhome units in southern Ocean County, NJ. This property was originally in contract and under development by the Company's management team during the 2006-2009 period, at which time the project was not finalized due to the financial crisis of 2009. As such, a large amount of engineering, environmental, traffic and architectural work has been completed. It is Management's opinion that this property is moving forward to contract. This property is not fully approved and is unimproved. The project is slated to begin in late summer of 2019 and has a retail value of \$23 million.

These 6 new developments with offered, signed letters of intent, as well as the four developments that we have under contract and in development represent over \$108 million in new home construction projects on the books in the near future. This work will occur over the next 3-4 years and is in addition to the elevation/renovation division of the business. Management is very positive about these new developments, as well as the cutting-edge construction technologies being employed to create healthier, safer, more energy efficient homes.

Dream Homes has experienced solid growth in both the new home and elevation divisions, as well as strong additions to our personnel infrastructure, which are just now beginning to bear fruit. Our new Design Center in Point Pleasant has also led to an increase in modular traffic and sales, as well as facilitated and increased client selections throughout our entire region.

For the second year in a row, the Company was again awarded the Ocean County Reader's Choice Best of the Best for 2018 in two categories (Best Custom Modular Builder and Best Home Improvement Contractor), which caused significant new awareness and interest from the public. This has led to increased showroom traffic, completed estimates and signed contracts. Referrals about Dream Homes are also being generated from many industry professionals, such as architects, engineers and attorneys, who've either had clients with abandoned projects or simply want to retain Dream due to superior performance and reliability.

The phrase 'The Region's Most Trusted Builder' accurately describes the Company, which is becoming increasingly well known to homeowners in need of new custom modular and site built homes, elevation & renovation work. The management team has never failed to complete a project in over 24 years in the industry.

The Company's business model over the last year has been focused on increasing the new home and new development portion of our business, until it represents 50% - 70% of our entire revenue stream, from the current level of 20%. New home development has a much greater scalability and growth potential than elevation/renovation work. The Company has enjoyed steady growth in the renovation/elevation portion of the company and anticipates that by year end 2018 each part of the company (new homes and elevation work) will represent 50% of total revenue. By mid-year 2019, new home construction and development should represent over 70% of revenue.

Discussions have been occurring since December of 2017 and a signed letter of intent has been offered to acquire property to develop 102 townhome units in southern Ocean County, NJ. This property was originally in contract and under development by the Company's management team during the 2006-2009 period, at which time the project was not finalized due to the financial crisis of 2009. As such, a large amount of engineering, environmental, traffic and architectural work has been completed. It is Management's opinion that this property is moving forward to contract. This property is not fully approved and is unimproved. The project is slated to begin in late summer of 2019 and has a retail value of \$23 million.

These 5 new developments with offered, signed letters of intent, as well as the three developments that we have under contract and in development represent over \$108 million in new home construction projects on the books in the near future. This work will occur over the next 3-4 years and is in addition to the elevation/renovation division of the business. Management is very positive about these new developments, as well as the cutting-edge construction technologies being employed to create healthier, safer, more energy efficient homes.

Dream Homes has experienced solid growth in both the new home and elevation divisions, as well as strong additions to our personnel infrastructure, which are just now beginning to bear fruit. Our new Design Center in Point Pleasant has also led to an increase in modular traffic and sales, as well as facilitated and increased client selections throughout our entire region.

The Company was awarded the Ocean County Best of the Best for 2017 and 2018 in two categories (Best Custom Modular Builder and Best Home Improvement Contractor), which caused significant new awareness and interest from the public. This has led to more showroom traffic, completed estimates and signed contracts. Referrals about Dream Homes are also being generated from many industry professionals, such as architects, engineers and attorneys, who've either had clients with abandoned projects or simply want to retain Dream due to superior performance and reliability.

The phrase 'The Region's Most Trusted Builder' accurately describes the company, and is becoming increasingly well known to homeowners in need of elevation & renovation work. The management team has never failed to complete a project in over 24 years in the industry.

The Company's business model over the last year has been focused on increasing the new home and new development portion of our business, until it represents 50% - 70% of our entire revenue stream, from the current level of 20%. New home development has a much greater scalability and growth potential than elevation/renovation work. The Company has enjoyed steady growth in the renovation/elevation portion of the company and anticipates that by year end 2018 each part of the company (new homes and elevation work) will represent 50% of total revenue. By mid-year 2019, new home construction and development should represent over 70% of revenue.

Management hopes for steady growth in all segments of the company, since the rebuilding process will occur over the next 15-20 years. The combined total number of homes affected by Storm Sandy that will need to be raised or demolished and rebuilt is in excess of 30,000 homes, of which less than 10,000 have been rebuilt. This remaining combined market for new construction and elevation projects in the Company's market area is estimated to be in the range of \$3.4 billion dollars. The company anticipates being able to efficiently address 5% - 10% of this market. Dream Homes' potential operations include the development and sale of a variety of residential communities, including construction of semi-custom homes, entry-level and first time move-up single-family and multi-family homes.

Additionally, the Company has developed referral networks with 3 major modular companies, from which a dependable and steady stream of leads and prospects has been received over the last 6-month period. Based on these associations, as well as the recent acquisition of the Premier Modular Homes assets and location, it is anticipated that the Custom Modular segment of the business will enjoy significant growth for the foreseeable future.

Since modular home manufacturers will not sell directly to the public, and will only sell to a licensed builder, manufacturers need dependable new home builders to refer their leads. The Company has proven itself to be a valuable trade partner for these 3 manufacturers and has received numerous prospects and leads, some of which have already turned into contracts.

The Company has also recently developed and offered to the market, a modular Add-A-Level in A Day product, which offers a very rapid alternative to traditional renovation and elevation projects. It is anticipated that this product can be scaled easily and offered in a much more diverse market area, due to the limited duration of this type of project.

Among the Company's other assets that are currently held, are the rights to operate the educational construction seminar known as "Dream Homes Nearly Famous Rebuilding Seminar", as well as the informational blog known as the "Dream Homes Rebuilding Blog."

The Nearly Famous Rebuilding Seminar is held bi-monthly, and is a powerful educational tool for homeowners who need of rebuilding or renovations. This seminar has been presented steadily since early 2013, and is designed to educate and assist homeowners in deciphering the confusion about planning and executing complex residential construction projects.

Due to the opportunities afforded by the market conditions, Dream Homes and Development Corporation as well as Dream Building LLC, which operates as a wholly owned subsidiary of Dream, will continue to pursue opportunities in the construction and real estate field, specifically in new home construction, home elevations and renovations.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses and related disclosures. We review our estimates and judgments on an on-going basis. We base our estimates and judgments on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results may differ from these estimates. We believe the following accounting policies are critical to the judgments and estimates we use in preparing our financial statements.

Net Income (Loss) Per Common Share

Basic net income (Basic net loss) per common share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the period.

Diluted net income (loss) per common share is computed using the weighted average number of common shares outstanding and potentially dilutive securities outstanding during the period (none for the periods presented).

RESULTS OF OPERATIONS – DREAM HOMES & DEVELOPMENT CORPORATION

The summary of selected financial data table below

DREAM HOMES & DEVELOPMENT CORPORATION

STATEMENTS OF OPERATIONS

	Year ended December 31, 2018	Year ended December 31, 2017
	(Unaudited)	(as restated- see Note 13) (Unaudited)
Revenue:		
Construction contracts	\$ 2,574,953	\$ 2,970,246
Cost of construction contracts	<u>1,506,629</u>	<u>1,949,101</u>
Gross profit	<u>1,068,324</u>	<u>1,021,145</u>
Operating Expenses:		
Selling, general and administrative, including stock based compensation of \$0 and \$19,500, respectively	922,462	1,037,886
Depreciation expense	<u>4,913</u>	<u>2,656</u>
Total operating expenses	<u>927,375</u>	<u>1,040,542</u>
Income (loss) from operations	<u>140,949</u>	<u>(19,397)</u>
Total other expenses-net	<u>-</u>	<u>-</u>
Net income (loss) before income taxes	140,949	(19,397)
Provision for income taxes	<u>21,525</u>	<u>-</u>
Net income (loss)	<u>\$ 119,424</u>	<u>\$ (19,397)</u>

Results of Operations - Comparison for the years ended December 31, 2018 and 2017

Revenues

For the years ended December 31, 2018 and December 31, 2017, net revenues were \$2,574,953 as compared to \$2,970,246 for the year ended December 31, 2017. This decrease in net revenues of \$395,293 was the result of weather conditions in the first quarter of 2018. As of December 31, 2018 and 2017, all of our sales were domestic.

Cost of Construction contracts and Sales

For the years ended December 31, 2018 and December 31, 2017, cost of construction contracts and sales were \$1,506,629 as compared to \$1,949,101 for the year ended December 31, 2017. This decrease in cost of construction contracts and sales was the result of less revenue due to weather conditions in the first quarter of 2018.

Operating Expenses

Operating expenses decreased \$113,167 from \$1,040,542 in 2017 to \$927,375 in 2018. The decrease was principally attributable to the decrease in activity.

Major selling, general and administrative expenses for the year ended December 31, 2018 of \$992,462 include salary expense of \$553,430, office expenses of \$9,100, professional fees of \$90,523, vehicle expenses of \$ 28,735, advertising expenses of \$ 43,263, bad debt allowance of \$72,837, and sales commissions expense of \$60,890.

Liquidity and Capital Resources

As of December 31, 2018 and 2017, our cash balance was \$11,687 and \$244,684, respectively, total assets were \$979,650 and \$678,845, respectively, and total current liabilities amounted to \$665,610 and \$484,229, respectively, including loans payable to related parties of \$52,243 and \$14,743, respectively. As of December 31, 2018 and 2017, the total stockholders' equity was \$314,040 and \$194,616, respectively.

Inflation

The impact of inflation on the costs of our company, and the ability to pass on cost increases to clients over time is dependent upon market conditions. We are not aware of any inflationary pressures that have had any significant impact on our operations since inception, and we do not anticipate that inflationary factors will have a significant impact on future operations.

OFF-BALANCE SHEET ARRANGEMENTS

We do not maintain off-balance sheet arrangements, nor do we participate in non-exchange traded contracts requiring fair value accounting treatment.

Risk**Foreign Currency Exchange Rate Risk**

We are not exposed to potential gains or losses from foreign currency fluctuations.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Pursuant to Item 305(e) of Regulation S-K (§ 229.305(e)), the Company is not required to provide the information required by this Item as it is a “smaller reporting company,” as defined by Rule 229.10(f)(1).

Item 8. Financial Statements and Supplementary Data

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Consolidated Statements of Operations for the years ended December 31, 2017 and 2016	F-3
Consolidated Statements of Changes in Stockholders' Equity (Deficiency) for the years ended December 31, 2017 and 2016	F-4
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DREAM HOMES & DEVELOPMENT CORPORATION

CONSOLIDATED BALANCE SHEETS
(UNAUDITED)

	<u>December 31, 2018</u>	<u>December 31, 2017</u> (As restated- See Note 13)
ASSETS		
CURRENT ASSETS		
Cash	\$ 118,687	\$ 244,684
Accounts receivable, net of allowance for doubtful accounts (\$29,838)	349,218	111,189
Costs and estimated earnings in excess of billings	105,847	69,499
Total current assets	<u>573,752</u>	<u>425,372</u>
PROPERTY AND EQUIPMENT, net	10,731	9,144
OTHER ASSETS		
Accounts receivable, net of allowance for doubtful accounts (\$43,000)	32,000	32,000
Security deposit	2,200	2,200
Deposits and costs coincident to acquisition of land for development	360,967	210,129
Total assets	<u>\$ 979,650</u>	<u>\$ 678,845</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 317,634	\$ 391,003
Billings in excess of costs and estimated earnings	254,208	78,483
Income taxes payable	21,525	-
Loans payable	20,000	-
Loans payable to related parties	52,243	14,743
Total current liabilities	<u>665,610</u>	<u>484,229</u>
STOCKHOLDERS' EQUITY		
Preferred stock; 5,000,000 shares authorized, \$.001 par value, as of December 31, 2018 and 2017, there are no shares outstanding	-	-
Common stock; 70,000,000 shares authorized, \$.001 par value, as of December 31, 2018 and 2017, there are 24,200,993 and 24,000,953 shares outstanding, respectively; and 16,000 and 200,040 shares committed not yet issued at December 31, 2018 and 2017, respectively	24,201	24,201
Additional paid-in capital	1,554,144	1,554,144
Accumulated deficit	<u>(1,264,305)</u>	<u>(1,383,729)</u>
Total stockholders' equity	<u>314,040</u>	<u>194,616</u>
Total liabilities and stockholders' equity	<u>\$ 979,650</u>	<u>\$ 678,845</u>

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

DREAM HOMES & DEVELOPMENT CORPORATION

CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)

	Year ended December 31, 2018	Year ended December 31, 2017 (As Restated – See Note 13)
Revenue:		
Construction contracts	\$ 2,574,953	\$ 2,970,246
Cost of construction contracts	1,506,629	1,949,101
Gross profit	1,068,324	1,021,145
Operating Expenses:		
Selling, general and administrative, including stock based compensation of \$0 and \$19,500, respectively	922,462	1,037,886
Depreciation expense	4,913	2,656
Total operating expenses	927,375	1,040,542
Income (loss) from operations	140,949	(19,397)
Total other expenses-net	-	-
Net income (loss) before income taxes	140,949	(19,397)
Provision for income taxes	21,525	-
Net income (loss)	\$ 119,424	\$ (19,397)
Basic and diluted income (loss) per common share	\$.00	\$ (.00)
Weighted average common shares outstanding-basic and diluted	24,000,993	23,917,680

The accompanying notes are an integral part of these financial statement .

DREAM HOMES & DEVELOPMENT CORPORATION

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY (DEFIENCY)

For the years ended December 31, 2018 and 2017 (As Restated- See Note 13)

(UNAUDITED)

	Common stock issued and to be issued		Additional Paid in Capital	Accumulated Deficit	Total
	Shares	Amount			
Balance at December 31, 2015	16,304,300	\$ 16,304	\$ 1,305,513	\$ (1,352,556)	\$ (30,739)
Issuance of common stock for: Company officers and directors	120,000	120	5,880		6,000
DHL employee bonuses	60,000	60	2,940		3,000
Issuance of common stock for accounting fees	160,000	160	7,840		8,000
Issuance of common stock for convertible noteholders	326,857	327	65,044		65,371
Issuance of common stock for satisfaction of loan payable to General Property Investments LLC	2,000,000	2,000	18,000		20,000
Issuance of common stock for legal fees	250,000	250	2,250		2,500
Issuance of common stock for 4.5% equity in Dream Homes, Ltd	2,225,000	2,225	(2,225)		-
Issuance of common stock to Dream Homes Ltd for rights to complete 6 in process contracts	2,287,367	2,287	(2,287)		-
Common stock to be issued for rights to land acquisition contract (committed not issued)	100,000	100	4,900		5,000
Net loss for the year ended December 31, 2016				(11,776)	(11,776)
Balance at December 31, 2016	23,833,524	23,833	1,407,855	(1,364,332)	67,356
Issuance of restricted common stock for investor relations and consulting services	56,000	56	2,744		2,800
Issuance of restricted common stock to Dream Homes Ltd for deposit on land	71,429	71	9,929		10,000
Issuance of restricted common stock to Dream Homes Ltd in exchange for vehicles	40,000	40	5,960		6,000
Issuance of restricted common stock to Dream Homes Ltd for rights to land acquisition contract (committed not issued)	162,200	162	48,493		48,655
Issuance of common stock for cash per Subscription Agreement (committed not issued)	12,500	12	4,988		5,000
Issuance of common stock for lumber credit per Subscription Agreement -committed not issued (as restated)	25,340	27	10,111		10,138
Expense relating to 750,000 stock warrants issued to Company's executive team			64,064		64,064
Net loss for the year ended December 31, 2017 (As restated)				(19,397)	(19,397)
Balance at December 31, 2017 (As restated)	24,200,993	\$ 24,201	\$ 1,554,144	\$ (1,383,729)	\$ 194,616
Net income for the year ended December 31, 2018				119,424	119,424
Balance at December 31, 2018	24,200,993	24,201	1,554,144	(1,264,305)	314,040

(As Restated) The accompanying notes are an integral part of these financial statements.

DREAM HOMES & DEVELOPMENT CORPORATION

CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

	For the year ended December 31, 2018	For the year ended December 31, 2017 (As Restated- See Note 13)
OPERATING ACTIVITIES		
Net income (loss) (As restated for 2017)	\$ 119,424	\$ (19,397)
Adjustments to reconcile net income (loss) to net cash provided (used) in operating activities:		
Amortization of debt discounts		-
Depreciation expense	4,913	2,656
Stock-based compensation	-	66,864
Changes in operating assets and liabilities:		
Accounts receivable	(238,029)	(27,537)
Costs and estimated earnings in excess of billings	(36,348)	(11,793)
Accounts payable and accrued liabilities	(73,369)	306,465
Billings in excess of costs and estimated earnings	175,725	(204,631)
Income taxes payable	21,525	-
Net cash provided (used) in operating activities	<u>(26,159)</u>	<u>112,627</u>
INVESTING ACTIVITIES		
Purchase of office equipment and vehicles	(6,500)	(5,800)
Security deposit	-	(2,200)
Deposits and costs coincident to acquisition of land for development	(150,838)	(131,472)
Net cash (used) in investing activities	<u>(157,338)</u>	<u>(139,472)</u>
FINANCING ACTIVITIES		
Proceeds from sale of common stock	-	5,000
Proceeds from loans payable to related parties	37,500	-
Proceeds from loans payable	20,000	-
Net cash provided by financing activities	<u>57,500</u>	<u>5,000</u>
NET INCREASE (DECREASE) IN CASH	(125,997)	(21,845)
CASH BALANCE, BEGINNING OF PERIOD	<u>244,684</u>	<u>266,709</u>
CASH BALANCE, END OF PERIOD	<u>\$ 118,687</u>	<u>\$ 244,864</u>
Supplemental Disclosures of Cash Flow Information:		
Interest paid	\$ -	\$ -
Income taxes paid	\$ -	\$ -
Non-Cash Investing and Financing Activities:		
Issuance of 71,429 restricted shares of common stock to Dream Homes, Ltd. for refundable deposit under contract rights to develop land	\$ -	\$ 10,000
Issuance of common stock to Dream Homes, Ltd. for vehicles	\$ -	\$ 6,000
Common stock committed to be issued for rights to property acquisition contract	\$ -	48,655
Common stock committed to be issued for lumber credit per Subscription Agreement (As restated)	\$ -	\$ 10,138

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

DREAM HOMES & DEVELOPMENT CORPORATION

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Years Ended December 31, 2018 and 2017

(UNAUDITED)

Note 1 - Significant Accounting Policies

Nature of Operations

Dream Homes & Development Corporation is a regional builder and developer of new single-family homes and subdivisions, as well as a market leader in coastal construction, elevation and mitigation. In the five years that have passed since Superstorm Sandy flooded 30,000 owner-occupied homes, Dream Homes has helped hundreds of homeowners to rebuild or raise their homes to comply with new FEMA requirements.

In addition to the coastal construction market, Dream Homes will continue to pursue opportunities in new single and multi-family home construction, with 3 new developments totaling 119 units under contract and in development. Dream Homes' operations will include the development and sale of a variety of residential communities, including construction of semi-custom homes, entry-level and first time move-up single-family and multi-family homes.

In addition to the New Jersey market, the Company, through its Dream Building LLC subsidiary, has become licensed in Florida to pursue recent opportunities for elevation, restoration, renovation and new construction brought about by the damage caused by recent hurricanes. Initial markets to be targeted are located primarily in the southwest portion of the state, between Naples and Cape Coral.

In addition to the Company's construction operations, the Company holds a bi-monthly "Dream Homes Nearly Famous Rebuilding Seminar", and publishes an informational blog known as the "Dream Homes Rebuilding Blog". The Rebuilding Seminar is an educational tool for homeowners who need rebuilding or renovations. This seminar has been presented steadily since early 2013, and is designed to educate and assist homeowners in deciphering the confusion about planning and executing complex residential construction projects. A professional team attends each seminar and presents on a diverse variety of topics, including expert advice from architects, engineers, finance people, attorneys, project managers, elevation professionals and builder/general contractors. The "Dream Homes Rebuilding Blog" is an educational platform written by Vincent Simonelli, which offers comprehensive advice on all aspects of construction, finance, development and real estate. The Blog is located at <http://blog.dreamhomesltd.com>.

History

Dream Homes & Development Corporation was originally incorporated as The Virtual Learning Company, Inc. ("Virtual Learning") on January 6, 2009 as a Nevada corporation with 75,000,000 shares of capital stock authorized, of which 70,000,000 shares are common shares (\$.001 par value), and 5,000,000 shares are preferred shares (\$.001 par value).

On March 14, 2017, Virtual Learning changed its name to Dream Homes & Development Corporation ("DHDC"). DHDC maintains a web site at www.dreamhomesltd.com as well as a blog, located at <http://blog.dreamhomesltd.com>.

Principles of Consolidation

The consolidated financial statements include the accounts of DHDC and its wholly owned subsidiary DBL (collectively, the "Company"). All intercompany balances and transactions have been eliminated in consolidation.

Property and Equipment

Property and equipment is stated at cost less accumulated depreciation. Depreciation is provided using the straight-line method over an estimated useful life of five years. Repairs and maintenance costs are expensed as incurred, and renewals and betterments are capitalized.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported and disclosed in the financial statements and the accompanying notes. Actual results could differ materially from these estimates.

Fair Value of Financial Instruments

Fair value is defined as the price that we would receive to sell an asset or pay to transfer a liability (an exit price) in an orderly transaction between market participants on the measurement date. In determining fair value, GAAP establishes a three-level hierarchy used in measuring fair value, as follows:

- Level 1 inputs are quoted prices available for identical assets and liabilities in active markets.
- Level 2 inputs are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets and liabilities in active markets or other inputs that are observable or can be corroborated by observable market data.
- Level 3 inputs are less observable and reflect our own assumptions.

Our financial instruments consist of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses and loans payable to related parties. The carrying amount of cash and cash equivalents, accounts receivable, accounts payable and accrued expenses, and loans payable to related parties approximates fair value because of their short maturities.

Construction Contracts

Revenue recognition:

The Company recognizes construction contract revenue using the percentage-of-completion method, based primarily on contract cost incurred to date compared to total estimated contract cost. Cost of revenue includes an allocation of depreciation, amortization and general overhead cost. Changes to total estimated contract cost or losses, if any, are recognized in the period in which they are determined.

The Company generally provides limited warranties for work performed under its construction contracts with periods typically extending for a limited duration following substantial completion of the Company's work on a project.

The Company classifies construction-related receivables and payables that may be settled in periods exceeding one year from the balance sheet date, if any, as current assets and liabilities consistent with the length of time of its project operating cycle. For example:

- Costs and estimated earnings in excess of billings represent the excess of contract costs and profits (or contract revenue) over the amount of contract billings to date and are classified as a current asset.
- Billings in excess of costs and estimated earnings represent the excess of contract billings to date over the amount of contract costs and profits (or contract revenue) recognized to date and are classified as a current liability.

Costs and estimated earnings in excess of billings result when either: 1) costs are incurred related to certain claims and unapproved change orders, or 2) the appropriate contract revenue amount has been recognized in accordance with the percentage-of-completion accounting method, but a portion of the revenue recorded cannot be billed currently due to the billing terms defined in the contract. Claims occur when there is a dispute regarding both a change in the scope of work and the price associated with that change. Unapproved change orders occur when there is a dispute regarding only the price associated with a change in scope of work. For both claims and unapproved change orders, the Company recognizes revenue, but not profit, when it is determined that recovery of incurred cost is probable and the amounts can be reliably estimated.

Change in Estimates:

The Company's estimates of contract revenue and cost are highly detailed and many factors change during a contract performance period that result in a change to contract profitability. These factors include, but are not limited to, differing site conditions: availability of skilled contract labor: performance of major material suppliers and subcontractors: on-going subcontractor negotiations and buyout provisions: unusual weather conditions: changes in the timing of scheduled work: change orders: accuracy of the original bid estimate: changes in estimated labor productivity and costs based on experience to date: achievement of incentive-based income targets: and the expected, or actual, resolution terms for claims. The factors that cause changes in estimates vary depending on the maturation of the project within its lifecycle. For example, in the ramp-up phase, these factors typically consist of revisions in anticipated project costs and during the peak and close-out phases, these factors include the impact of change orders and claims as well as additional revisions in remaining anticipated project costs. Generally, if the contract is at an early stage of completion, the current period impact is smaller than if the same change in estimate is made to the contract at a later stage of completion. Management focuses on evaluating the performance of contracts individually and uses the cumulative catch-up method to account for revisions in estimates. Material changes in estimates are disclosed in the notes to the consolidated financial statements.

Income Taxes

The Company accounts for income taxes using the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax reporting purposes. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the provision for income tax in the statements of operations. The Company evaluates the probability of realizing the future benefits of its deferred tax assets and provides a valuation allowance when realization of the assets is not reasonably assured.

The Company recognizes in its financial statements the impact of tax positions that meet a “more likely than not” threshold, based on the technical merits of the position. The tax benefits recognized from such a position are measured based on the largest benefit that has a greater than fifty percent likelihood of being realized upon ultimate settlement.

Net Income (Loss) Per Common Share

Basic net income (basic net loss) per common share is calculated by dividing net income (loss) by the weighted average number of common shares outstanding during the period.

Diluted net income (loss) per common share is computed using the weighted average number of common shares outstanding and potentially dilutive securities outstanding during the period.

Recent Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers (Accounting Standards Codification “ASC” Topic 606). The purpose of this ASU is to converge revenue recognition requirements per GAAP and International Financial Reporting Standards (“IFRS”). The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The amendments in this ASU were originally effective for interim and annual reporting periods beginning after December 15, 2016, with early adoption not permitted by the FASB; however, in August 2015, the FASB issued ASU 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date after public comment respondents supported a proposal to delay the effective date of this ASU to annual reporting periods beginning after December 15, 2017, including interim reporting periods within that reporting period. We are currently evaluating the impact of this ASU on our financial position, results of operations and cash flows.

Certain other accounting pronouncements have been issued by the FASB and other standard setting organizations which are not yet effective and therefore have not yet been adopted by the Company. The impact on the Company’s financial position and results of operations from adoption of these standards is not expected to be material.

2 - Property and Equipment

Property and equipment is summarized as follows:

	<u>December 31, 2018</u>	<u>December 31, 2017</u>
	(Unaudited)	(Unaudited)
Office equipment	\$ 4,115	\$ 4,115
Vehicles	31,065	24,565
Less: Accumulated depreciation	<u>(24,449)</u>	<u>(19,536)</u>
Property and Equipment- net	<u>\$ 10,731</u>	<u>\$ 9,144</u>

Depreciation expense for the years ended December 31, 2018 and 2017 was \$ 4,913 and \$2,656, respectively.

3-Deposits and Costs Coincident to Acquisition of Land for Development

Deposits and costs coincident to acquisition of land for development are summarized as follows:

	December 31, 2018 (Unaudited)	December 31, 2017 (Unaudited)
Lacey Township, New Jersey, Marina contract:		
Deposit	25,000	25,000
Site engineering, permits and other costs:	49,959	23,657
Total Marina Contract	74,959	48,657
Other Deposits:		
Clayton-80 lots and 120 apartments	9,920	-
71 Sheridan Avenue	79,150	-
Bayville-20 units	2,674	-
Other	2,005	-
Lacey Township, New Jersey, Pines contract:		
Deposit	-	10,000
Cost to acquire contract	10,000	10,000
Site engineering, permits, and other costs	109,265	111,215
Total Pines contract	119,265	131,215
Berkeley Township, New Jersey, Tallwoods contract:		
Deposit	10,000	10,000
Site engineering, permits, and other costs	62,994	20,257
Total Tallwoods contract	72,994	30,257
Total	\$ 360,967	\$ 210,129

Lacey Township, New Jersey, "Dream Homes at the Pines". Contract

On December 15, 2016, the Company acquired from General Development Corp. ("GDC") rights to a contract to purchase over 9 acres of undeveloped land without amenities in Lacey Township, New Jersey (the "Lacey Contract or Dream Homes at the Pines") for \$15,000 cash (paid in December 2016) and 100,000 restricted shares of Company common stock (issued in April 2017) valued at \$5,000. GDC acquired the rights to the contract from DHL on December 14, 2016 for \$10,000 cash. As discussed in Note 9, Commitments and Contingencies under Line of Credit, the Company also has an available line of credit of \$50,000 with GDC.

The Lacey Contract between DHL and the seller of the land was dated March 18, 2016 and provides for a \$1,000,000 purchase price with closing on or about 60 days after memorialization of final Development Approvals has been obtained. DHL paid the seller a \$10,000 refundable deposit in March 2016 pursuant to the Lacey Contract. In the event the transaction has not closed on at least a portion of the property within 24 months of the completion of the Due Diligence Period (as may be extended by two 6- month extensions), the seller has the option of terminating the contract. Notwithstanding this provision, the Company retains the right at all times to waive any remaining contingencies and proceed to close on the property.

At this time, the contract is in good standing and there is no risk of cancellation. As per the contract, the Company is required to close on this property no later than March 18, 2019, which date is inclusive of the 24-month development period, and 2 additional 6-month extensions.

Due diligence for the above property was completed as of May 17, 2016, and all costs were incurred by Dream Homes Ltd., which was in the contract for the property at the time. No additional costs for due diligence have been incurred by the Company, nor are any anticipated. The Company will incur all current costs associated with this property necessary to obtain all approvals, acquire the land, install the infrastructure and prepare the property to commence construction.

In order to obtain all developmental approvals and be prepared to begin installing infrastructure, various permits and engineering work are required. These permits include but are not limited to township subdivision, county, municipal utility authority, CAFRA (NJ Department of Environmental Protection) and NJ Department of Transportation. To date, design engineering has been completed and a CAFRA application has been prepared and submitted to the environmental scientist, along with a check for \$36,750 payable to the NJ DEP. Application for this permit was made in April 2017. As of this date, the CAFRA application has been put on hold pending a determination if the township will be approved by the State of New Jersey for a CAFRA Town Center designation. A permit is expected to be issued in June or July of 2018. A Lacey Township Planning Board meeting was held on December 11, 2017. Additional information was requested from the board and the next meeting will be scheduled upon receipt of outside agency permits and the other requested information.

It is anticipated that complete development approvals will cost approximately \$50,000 more to complete. In addition to these approval costs and acquisition costs, infrastructure costs are anticipated to cost approximately \$1,000,000. The total amount of funding required to acquire and make this property ready for home construction is approximately \$2,090,000 as of December 31, 2017.

The Company may need to seek loans from banks to finance this project. As part of their financing agreements, the banks typically require Vincent Simonelli to personally guarantee these loans. If Mr. Simonelli cannot qualify as a guarantor and there is no one other than him in the Corporation to provide those guarantees, the financing of the deal may be adversely affected. The exact amount of funding required for this particular property is not clear at the present time but will be determined when full approvals have been obtained and the Company is prepared to take title to the property.

Berkeley Township, New Jersey, “Dream Homes at Tallwoods”, Contract

On March 1, 2017, the Company acquired from DHL rights to a contract to purchase over 7 acres of land in Berkeley Township, NJ (the “Tallwoods Contract or Dream Homes at Tallwoods”) for 71,429 restricted shares of Company common stock (issued in April 2017). The Tallwoods Contract between DHL and the seller of the land was dated January 5, 2017 and provides for a \$700,000 purchase price with closing on or about 60 days after final development approvals have been obtained and memorialized. DHL paid the seller a refundable \$10,000 deposit in January 2017 pursuant to the Tallwoods contract.

The due diligence period associated with this property expired on March 4, 2017 and all costs associated with same were paid by Dream Homes Ltd. prior to the expiration date. The Company will incur no further costs related to the due diligence aspect of this purchase. The Company will incur all current and future costs associated with this property necessary to obtain all approvals, acquire the land and prepare the property to commence construction.

The land is currently improved with streets and all public utilities in place. As such, the necessary steps required to bring the property through the approval process involve primarily design engineering. Since the property is on an improved street, a major subdivision application will be filed with the township, which will create 13 conforming buildable lots from the existing single 7 acre parcel. Accordingly, the remaining costs will primarily involve engineering and approval costs, as opposed to costs associated with the installation of infrastructure.

At this time, the Company estimates that the total engineering and approval costs will be approximately \$40,000. The amount of money required to purchase the property is \$700,000 of which \$10,000 is currently on deposit. The Company has made application to the Berkeley Township Zoning Board.

In the event the transaction has not closed on at least a portion of the Property within 12 months of the completion of the Due Diligence Period (as may be extended by two 6-month extensions), the seller has the option of terminating the contract. Notwithstanding this provision, the Company retains the right at all times to waive any remaining contingencies and proceed to close on the property.

The Company may need to seek loans from banks to finance this project. As part of their financing agreements, the banks typically require Vincent Simonelli to personally guarantee these loans. If Mr. Simonelli cannot qualify as a guarantor and there is no one other than him in the Corporation to provide those guarantees, the financing of the deal may be adversely affected. The exact amount of funding required for this particular property is not clear at the present time but will be determined when full approvals have been obtained and the Company is prepared to take title to the property.

Lacey Township, New Jersey, “Dream Homes at Forked River”, Marina Contract

The Company has acquired the rights to a purchase contract via contract assignment for 48 waterfront townhomes with boat slips in Lacey, NJ. The project is currently in the approval process and significant engineering, environmental, traffic and architectural work has been completed. The property is a waterfront property, and is partially improved with all boat slips currently installed, the Department of Transportation permit received and the curb cut from Route 9 in place. The property when completely constructed has a retail value of \$21 million and is expected to begin site improvements in late 2018 or early 2019.

On December 8, 2017, the Company acquired from DHL rights to a contract to purchase over +/- 7.5 acres of land in Lacey Township, NJ (the “Marina Contract or Dream Homes at Forked River”) for 162,200 restricted shares of Company common stock (committed but not issued as of April 16, 2018). The Contract between DHL and the seller of the land was dated February 24, 2016 and provides for a \$2,166,710 purchase price with closing on or about 60 days after final development approvals have been obtained and memorialized. DHL paid the seller a refundable \$25,000 deposit in February 2016 pursuant to the Marina contract.

The due diligence period associated with this property expired on May 1, 2016 and all costs associated with same were paid by Dream Homes Ltd. prior to the expiration date. The Company will incur no further costs related to the due diligence aspect of this purchase. The Company will incur all current and future costs associated with this property necessary to obtain all approvals, acquire the land and prepare the property to commence construction.

The land is currently approved for a marina and it is the Company’s intention to modify the approvals to a townhome use, as per the ordinance. The property is currently unimproved. As such, the necessary steps required to bring the property through the approval process involve design engineering as well as environmental approvals. Accordingly, the remaining costs will primarily involve engineering, legal and approval costs.

At this time, the Company estimates that the total engineering and approval costs will be approximately \$100,000. The amount of money required to purchase the property is \$2,430,000 of which \$25,000 is currently on deposit.

The Company may need to seek loans from banks to finance this project. As part of their financing agreements, the banks typically require Vincent Simonelli to personally guarantee these loans. If Mr. Simonelli cannot qualify as a guarantor and there is no one other than him in the Corporation to provide those guarantees, the financing of the deal may be adversely affected. The exact amount of funding required for this particular property is not clear at the present time but will be determined when full approvals have been obtained and the Company is prepared to take title to the property.

Little Egg Harbor Township, New Jersey, “Dream Homes at Radio Road”, Contract

On March 14, 2018, the Company signed a contract to purchase 4 improved lots in Little Egg Harbor Township, NJ (the “Dream Homes at Radio Road”) for a total of \$260,000. The Contract between the Company and the seller of the land provides for a \$65,000 per lot purchase price with closing occurring on a rolling basis, as each house is built and sold. In addition, the Company has obtained a term sheet on April 5, 2018 and is waiting for a formal commitment from 1st Constitution Bank for a funding facility comprised of acquisition and development funding.

The Company intends to begin construction in the second quarter and the homes are projected to sell in the \$350,000 - \$375,000 range.

Glassboro Township, New Jersey – Robin’s Nest Solar Farm

On May 28, 2018, the Company signed a contract to purchase a 700 KW property to be developed as a solar farm in Glassboro, NJ. The purchase price is \$900,000 and the contract is subject to obtaining funding for the solar array as well as a portion of the purchase price. There is also a PPA (power production agreement) in place with a nursing home adjacent to the property, to purchase the entire electrical output for the next 20 years.

In early August, a funding proposal was submitted to Republic Bank, which is a local lender, and discussions are ongoing. If funding is approved, it is expected that this transaction will close in late 2018.

71 Sheridan Street, Waretown, NJ – Property purchased for renovation and sale

On July 12, 2018, the Company purchased a single-family home property located at 71 Sheridan Street in Waretown, NJ. The home was originally damaged by Storm Sandy, and requires elevation and renovation in order to be brought into compliance with the latest FEMA flood zone requirements. The Company intends to complete a full height elevation, enclose the lower level, install 2 levels of deck facing the water, renovate the house completely and sell the property.

Louis Avenue – Bayville, NJ – Property being developed

In October of 2018, the company entered into a contract to develop and acquire 20 townhouse lots in Bayville NJ. Engineering and approvals are currently in process.

4-Loans Payable to Related Parties

Loans payable to related parties is summarized as follows:

	December 31, 2018 (Unaudited)	December 31, 2017 (Unaudited)
Loans payable to chief executive officer	\$ 29,025	\$ 11,525
Loans payable to GPIL (see Note 6)	3,118	3,118
Loan payable to DHL	20,100	100
Total	<u>\$ 52,243</u>	<u>\$ 14,743</u>

All the loans above are non-interest bearing and due on demand.

5 - Common Stock Issuances

On February 22, 2017, DHDC issued 56,000 restricted shares of common stock to Green Chip Investor Relations pursuant to an Investor Relations and Consulting Services Agreement (see Note 9). The 56,000 restricted shares were valued at \$2,800 (or \$.05 per share), which amount was expensed in the three months ended March 31, 2017.

On March 1, 2017, DHDC committed to issue 71,429 restricted shares of common stock (issued April 24, 2017) to DHL valued at \$10,000, representing the amount of the refundable deposit on land made by DHL to the Seller in January 2017 for the Berkeley Township New Jersey contract (see Note 4).

On March 14, 2017, DHL assigned 275,000 restricted shares of Company common stock it held to the same minority stockholder of DHL that it assigned 100,000 shares of Company common stock on October 13, 2016 (see sixth preceding paragraph).

On April 26, 2017, DHDC issued 100,000 shares of restricted stock to General Development Corp. as payment of an assignment fee related to the 58 unit townhouse development in Lacey Township, NJ (see Note 4).

On July 12, 2017, DHDC issued 40,000 restricted shares of DHDC's common stock to Dream Homes, Ltd. ("DHL") in exchange for vehicles owned by DHL. The transaction reflected \$6,000 net carrying value of the assets on DHL's books at July 12, 2017.

On September 21, 2017, DHL assigned 25,000 restricted shares of Company common stock it held to the Secretary of both DHDC and DHL for services rendered to DHL. Accordingly, no stock-based compensation was recognized by DHDC.

On December 8, 2017, DHDC committed to issue 162,200 restricted shares of common stock to DHL valued at \$48,658 (DHL's historical cost of the assets being assigned), for the assignment of a contract to purchase property from DHL for the Lacey Township New Jersey contract (see Note 4).

On December 11, 2017, DHL assigned 100,000 restricted shares of Company common stock it held to the Company Securities Counsel of both DHDC and DHL in settlement of certain DHL accounts payable due him. Accordingly, no stock-based compensation was recognized by DHDC.

On December 27, 2017, DHDC committed to issue 12,500 restricted shares of DHDC's common stock for cash proceeds of \$ 5,000 at \$.40 per share per the Subscription Agreement.

On December 29, 2017, DHDC committed to issue 25,340 restricted shares (as restated -see Note 14) of DHDC's common stock for settlement of \$ 10,138 accounts payable (As Restated-See Note 14) at \$.40 per share.

On January 31, 2018, DHDC committed to issue 16,000 restricted shares of DHDC's common stock for cash proceeds of \$11,400 at \$.40 per share per the subscription agreement.

On February 9, 2018, DHL assigned 40,000 restricted shares of Company common stock it held to a minority stockholder of DHL. This minority stockholder of DHL had contributed \$10,000 out of approximately \$500,000 in a private placement of common stock of DHL in 2010. In addition, this minority stockholder of DHL also received 30,000 restricted shares of DHL common stock in 2011 for legal services. Accordingly, no stock-based compensation was recognized by DHDC for this assignment of 40,000 shares.

On February 9, 2018, DHL assigned 25,000 restricted shares of Company common stock it held to the Secretary of both DHDC and DHL for accounting and administrative services rendered to DHL. Accordingly, no stock-based compensation was recognized by DHDC for this assignment of 25,000 shares.

On February 9, 2018, DHL assigned 25,000 restricted shares of Company common stock it held to a director of DHDC and service provider to DHL for legal services provided to DHL. Accordingly, no stock-based compensation was recognized by DHDC for this assignment of 25,000 shares.

On February 26, 2018 DHDC issued 12,500 restricted shares of DHDC's common stock for cash proceeds of \$ 5,000 at \$.40 per share per the Subscription Agreement.

6 – Income Taxes (As Restated-See Note 13)

The provisions for (benefit from) income taxes differ from the amounts computed by applying the statutory United States Federal income tax rate of 21% to income (loss) before income taxes.

The sources of the differences follow:

	Year ended December 31, 2018 <u>(Unaudited)</u>	Year ended December 31, 2017 <u>(Unaudited)</u>
Expected tax at 21% (State 9%)	\$ 42,284	\$ (2,910)
Non-deductible entertainment expense	-	706
Non-deductible stock-based compensation	-	23,402
Change in valuation allowance/NOL used	(20,759)	(21,198)
Provision for (benefit from) income taxes	<u>\$ 21,525</u>	<u>\$ -</u>

(a) As a result of the Tax Cuts and Jobs Act (Tax Legislation) enacted on December 22, 2017, the United States corporate income tax rate is 21% effective January 1, 2018.

The significant components of DHDC's deferred tax asset as of December 31, 2018 and December 31, 2017 are as follows:

	December 31, 2018 <u>(Unaudited)</u>	December 31, 2017 <u>(Unaudited)</u>
Deferred tax assets:		
Net operating loss carry forward	\$ -	\$ -
Valuation allowance	-	-
Net deferred tax asset	<u>\$ -</u>	<u>\$ -</u>

As of December 31, 2018, the Company has no available net operating loss carryforward.

Current tax laws limit the amount of loss available to be offset against future taxable income when a substantial change in ownership occurs. Therefore, the amount available to offset future taxable income may be limited.

7- Business Segments

The Company currently has one business segment which is residential construction, which is further divided into elevation/renovation, demolition and new home construction and new single and multi-family home developments. The residential construction segment is operated through DHDC's wholly owned subsidiary Dream Building, LLC (since August 19, 2016).

Summarized financial information by business segment for the years ended December 31, 2018 and 2017 follows:

	Year ended December 31,	
	2018	2017
	(Unaudited)	(As restated- See Note 13) (Unaudited)
Revenue:		
Residential construction (as restated for 2017)	\$ 2,574,953	\$ 2,970,246
Total	\$ 2,574,953	\$ 2,976,246
Income (loss) from operations:		
Residential construction (as restated for 2017)	\$ 356,951	\$ 389,249
Corporate-	(216,002)	(408,646)
Total	\$ 140,949	\$ (19,397)

Identifiable assets:

	December 31,	
	2018	2017
Residential construction (as restated for 2017)	\$ 606,499	\$ 656,318
Corporate (as restated for 2017)	373,151	22,527
Total	\$ 979,650	\$ 678,845

All revenue relating to the residential construction segment was derived from construction contracts involving homeowner customers located in the State of New Jersey. These contracts involve specialized construction related to compromised home foundations and related issues caused by damage from Super Storm Sandy, as well as new home construction.

8- Commitments and Contingencies

Construction Contracts

As of December 31, 2018, Dream Building, LLC was committed under 18 construction contracts outstanding with home owners with contract prices totaling \$ 2,764,508, which are being fulfilled in the ordinary course of business. None of these construction projects are expected to take significantly in excess of one year to complete from commencement of construction. The Company has no significant commitments with material suppliers or subcontractors that involve any sums of substance or, of long term duration at the date of issuance of these financial statements.

Employment Agreements

On May 8, 2017, DHDC executed an Employment Agreement with its newly appointed Sales Manager. The term of the agreement is from May 8, 2017 to May 8, 2019 and is renewable thereafter at 1 year intervals based on certain sales targets. The agreement provides for compensation based on sales.

For the year ended December 31, 2018, sales commissions expense pursuant to employment agreements were \$56,164.

Lease Agreements

On June 20, 2017, DHDC executed a lease for office and storage space located at 2109 Bridge Avenue, Point Pleasant, New Jersey. The term of the Lease is five years from June 20, 2017 to June 20, 2022 with two (2) five (5) year options to renew. The Lease provides for monthly rent commencing August 20, 2017 at \$1,200 per month until the earlier of completion of upstairs offices or November 20, 2017, at which time the monthly rent increases to \$2,200 per month. In May of 2018, the monthly rent was reduced to \$1,000 per month. Assuming DHDC is current in all rent and other charges, DHDC has the option to cancel the Lease with 90 days written notice to Landlord.

In October of 2018, DHDC entered into a lease agreement for a modular home showroom in Little Egg Harbor. The term is for 1 year, with 3 one-year options to renew. The amount of the lease is \$18,000 and is payable in monthly installments of \$1500.

For the year ended December 31, 2018, rent expense under these leases agreements was \$36,400.

Investor Relations Agreement

On February 10, 2017, the Company entered into an Investor Relations and Consulting Services Agreement with an investor relations firm. The agreement expired on August 31, 2017 and provided for issuance of 56,000 restricted shares of common stock valued at \$2,800 to the investor relations firm (stock issued on February 22, 2017) and \$2,000 per month fees to be paid to the investor relations firm commencing March 2017.

For the years ended December 31, 2018 and 2017, consulting fees expense under this agreement was \$2,000 and \$4,800 respectively.

Line of Credit

On September 15, 2016, DHDC established a \$50,000 line of credit with General Development Corp., a non-bank lender. Advances under the line bear interest at a rate of 12% payable monthly and the outstanding principal is due and payable in 60 months. The line is secured by the personal guarantee of the Company's Chief Executive Officer. The agreement to fund automatically renews on a yearly basis as long as interest payments are current. To date, the Company has not received any advances under the line of credit.

Private Placement

On November 3, 2017, the Company released a Private Placement Memorandum, which consists of an equity and debt offering for up to \$5,000,000 in new capital. This capital will be utilized for acquisition and development of several of the properties the Company has under contract, as well as expansion into the Florida market. The offering is comprised of Units for sale as well as convertible debt. Each Unit is priced at \$.40 per common share and includes 1 warrant to purchase an additional share of common stock for \$.60 within 3 years of the date of Unit purchase. The convertible debt is offered at an 8% coupon, paid quarterly, has a maturity of 4 years and is convertible at \$.75 per share. The offering was scheduled to close on January 2, 2018 and was extended unchanged by the Company to September 2, 2018.

As of May 21, 2018, the Company has sold a total of 68,810 units and received \$16,400 in cash (\$5,000 in December 2017 for 12,500 units, \$6,400 in January 2018 for 16,000 units and \$5000 in February 2018 for 12,500 units) and was granted a reduction in accounts payable from a lumber vendor of 11,124 for 27,810 units issuable to the vendor as of December 31, 2017.

9. Related Party Transactions

Dream Homes Ltd. Allocated payroll

The Company uses the services of Dream Homes Ltd. (DHL) personnel for its operations. For the twelve months ended December 30, 2018 and 2017, selling, general and administrative expenses include \$ 606,702.90 and \$607,305 respectively. These costs were incurred for the Company's estimated share of DHL's gross payroll and payroll taxes for the year 2018 and include \$65,888.31 salary paid to the Company's Chief Executive Officer and \$62,000.00 salary paid to the Company's Secretary and VP of Human Resources. At December 31, 2018, there was no money due DHL for unpaid payroll reimbursement or accrued expenses.

Office Space

The Company has occupied office space located in Forked River, New Jersey which is owned by an affiliated company. Commencing April 2017, the Company has paid DHL monthly rent of \$2,000 (\$6,000 total for the six months ended June 30, 2018) for this office space.

10- Stock Warrants

On July 12, 2017, DHDC issued 750,000 stock warrants to various members of Dream Homes & Development Corporation's executive team (including 500,000 to the Company's Chief Executive Officer, 100,000 to the Company's Secretary, and a total of 60,000 to the Company's two other directors and 50,000 to a non-executive DHL project manager employee). These Warrants entitle the holder to purchase shares of Dream Homes & Development Corporation at \$0.30 per share through July 20, 2020. These warrants vest to the Holder on a semi-annual basis over a 36-month period contingent upon Holder's continued association with the Company. The \$407,850 total fair value (calculated using the Black Scholes option pricing model and the following assumptions: (1) stock price of \$0.60, (2) exercise price of \$0.30, (3) dividend yield of 0%, (4) risk-free interest rate of 1.53%, (5) expected volatility of 171%, and (6) term of 3 years) of the 750,000 warrants is being expensed evenly over the 3 years requisite service period of the individuals that were granted these warrants commencing in July 2017. For the period July 12, 2017 through December 31, 2017, stock-based compensation attributable to the warrants was \$ 64,064 using the above Black Scholes option pricing model.

Included within the 750,000 warrants described in the preceding paragraph are 20,000 warrants issued to the Company's Sales Manager that are not covered by the Employment Agreement dated May 8, 2017 described in Note 7.

Due to the fact that the stock price has decreased below the warrant exercise price of \$.30, no warrant expense has been recorded for the year 2018.

11- Subsequent Events

As of this date, there were subsequent events of note.

12- Receivable from Arbitration and settlement of in process customer construction contract in dispute and related losses recognized and recorded by the Company

The Company began work on a construction contract in the amount of \$307,000 in August 2016. Through September 30, 2017 the Company billed the customer a total of \$219,565, collected a total of \$130,247 from the customer, and accordingly had a balance due from the customer of \$89,318 at September 30, 2017. When the customer refused to pay the \$89,318 balance, the Company ceased working on the contract in July 2017, filed a request for arbitration on October 3, 2017 and filed a Construction Lien Claim in October 18, 2017. On March 6, 2018, the American Arbitration Association awarded the Company \$75,000 in connection with its claim. On July 10, 2018, the Superior Court of New Jersey confirmed the arbitration award and entered a judgement against the customer for the \$75,000 and prejudgment interest of \$488. To date the Company has not yet collected the \$75,000 owing to it under the arbitration award. Based upon advice of Company Counsel it still has further legal actions available to it to ultimately facilitate payment from the customer of the \$75,000 in the contract dispute. Accordingly, at December 31, 2017 the Company has recognized a loss of \$14,318 on the write-down of accounts receivable from this customer which has been reflected as a reduction in revenue from construction contracts and gross profit for the year ended December 31, 2017. The property continues to be unoccupied because the contracted construction work has never been completed.

Company counsel has also advised that the \$75,000 judgment is a lien on any property that the customer owns at July 10, 2018. As of July 10, 2018, the property subject to the dispute has market value of approximately \$850,000 and has a prior mortgage lien with a balance of approximately \$190,000. The Company expects to ultimately collect the \$75,000 judgement in full.

At December 31, 2017 there was a "Cost and estimated earnings in excess of billings" asset relating to the Arbitration Award disputed contract of \$48,419 representing the difference between the amount billed to the customer of \$219,565 and costs and estimated earnings of \$267,984 through December 31, 2017. Accordingly, at December 31, 2017 the Company has also recognized a loss of \$48,419 on the write-down of the "Costs and estimated earnings in excess of billings" asset attributable to this disputed customer contract, which has been reflected as a reduction in revenue from construction contracts and gross profit for the year ended December 31, 2017. Over the life of this contract the Company recognized a cumulative gross profit of \$17,658 through December 31, 2017, which is net of a negative gross profit of (\$9,012) for the year ended December 31, 2017, based upon the write-down of \$14,318 described in the preceding paragraph and the \$48,419 write-down described in this paragraph, which aggregate to \$62,737.

13- Restatement of Previously Issued Financial Statements

The Company has restated the consolidated financial statements at December 31, 2017 and for the year then ended (which were previously included in the Company's Form 10-K filed with the SEC on April 17, 2018) in order to correct errors principally relating to the accounting for construction contracts under the "percentage of completion method." These errors resulted primarily from misinterpretation of facts and circumstances concerning 6 contracts at the date of issuance of the consolidated financial statements by the Company.

As discussed in detail above in Note 13, the Company settled a disputed customer contract in an arbitration proceeding in March of 2018 that resulted in losses aggregating \$62,737 that are reflected in this restatement that should have been reflected in the consolidated balance sheet at December 31, 2017 and the consolidated statement of operations for the year then ended as originally issued.

In beginning to prepare the Company's consolidated financial statements to be filed in a Form 10-Q for the three month period ended March 31, 2018 to be reviewed by the Company's Independent Registered Public Accounting Firm, errors were discovered in the accounting for 2 construction contracts reflected as 100% completed contracts rather than still in progress at December 31, 2017. In each of the two contracts, the Company incurred additional construction costs during the quarter ended March 31, 2018 with very minimal additional Company customer billings during the quarter then ended. Essentially, in retrospect, the Company's estimate of the cost to complete these jobs accounted for under the percentage of completion method were not up to date at December 31, 2017. Based on a re-review of the facts and circumstances at the date of issuance of the Company's consolidated financial statements at December 31, 2017 and for the year then ended, it has been determined that the jobs with Company billings to the customers of \$139,206 and \$130,264 were approximately 89% and 98%, respectively, completed rather than 100% completed at December 31, 2017. As restated, the gross profit for these two jobs for the year ended December 31, 2017 was \$52,110 (42%) and \$46,347 (36%), respectively. As originally calculated as 100% complete, the gross profit for these two jobs for the year ended December 31, 2017 was calculated at \$65,984 (48%) and \$48,117 (37%), respectively.

The remaining three construction jobs were jobs agreed to be completed by the Company pursuant to an Employment Agreement dated May 8, 2017 with its Sales Manager, as an accommodation to the new hire with limited commission linked Company loss protection provided in the agreement to offset Company losses incurred in these jobs. As restated, the Company reported a total gross loss from these three jobs of \$41,720 during the year ended December 31, 2017 for which aggregate customer billings on these jobs to completion will be \$200,520. As originally calculated, the gross losses on these 3 jobs for the year ended December 31, 2017 was \$31,521. Commissions aggregating \$35,494 earned and owing to the Sales Manager at December 31, 2017 have been offset pursuant to the agreement and will not be paid by the Company to the Sales Manager.

The 5 construction jobs described in the preceding two paragraphs had an aggregate gross profit of \$82,580 as previously reported in the consolidated financial statements at December 31, 2017. As restated for the facts described above, the aggregate gross profit that should have been recognized for the year ended December 31, 2017 should have been \$56,737. The result was a restatement reducing revenue from construction contracts by \$30,836, reducing cost of construction contracts by \$4,993 and reducing gross profit by \$25,483 in the consolidated statement of operations and decreasing accounts payable and accrued expenses by \$4,993 and increasing "Billings in excess of costs and estimated earnings" at December 31, 2017 by \$25,843 over the amount as previously reported at that date and for the year then ended.

In reviewing the facts and circumstances concerning the three accommodation jobs to determine the extent of gross losses to be sustained by the Company based on up to date cost estimates, the Company also reviewed the amount of commission expense due the new Vice President of Development and the new Sales Manager pursuant to the agreements as of December 31, 2017. As restated, the consolidated financial statements reflected an additional \$50,873 due which is now corrected for and included in accounts payable and accrued expenses at December 31, 2017, and a corresponding increase in selling, general and administrative expenses for the year then ended. Accordingly, the restatement reflects a net increase in selling, general and administrative expenses for the year ended December 31, 2017 and an increase in accounts payable and accrued expenses of \$15,379 (\$50,873 less \$35,494).

Errors were also identified in the review for certain vendor accounts payable balances at December 31, 2017, primarily for duplicated bills or bills for uncompleted services for vendor invoices relating to completed contracts. Correction of these errors resulted in a restatement adjustment decreasing cash by \$3,372, decreasing accounts payable and accrued expenses by \$16,649, decreasing cost of construction contracts by \$15,727, and increasing selling, general and administrative expenses by \$2,450. In addition, it was determined that the number of shares of common stock committed to be issued for a lumber credit per a subscription agreement were nominally less than when originally accounted for, resulting in a \$988 decrease in stockholders' equity and a \$985 increase in accounts payable and accrued expenses.

The effect of the restatement adjustments on the Consolidated Balance Sheet at December 31, 2017 follows:

	As Previously Reported <u>(Unaudited)</u>	Restatement Adjustments <u>(Unaudited)</u>	As Restated <u>(Unaudited)</u>
ASSETS			
CURRENT ASSETS			
Cash	\$ 248,056	\$ (3,372)	\$ 244,684
Accounts receivable	230,345	(119,156)	111,189
Costs and estimated earnings in excess of billings	74,338	(4,839)	69,499
Total current assets	<u>552,739</u>	<u>(127,367)</u>	<u>425,372</u>
PROPERTY AND EQUIPMENT, net	9,144	-	9,144
OTHER ASSETS			
Account Receivable	-	32,000	32,000
Security deposit	2,200	-	2,200
Deposits and costs coincident to acquisition of land for development	<u>210,129</u>	<u>-</u>	<u>210,129</u>
Total assets	<u>\$ 774,212</u>	<u>\$ (95,367)</u>	<u>\$ 678,845</u>
LIABILITIES AND STOCKHOLDERS' EQUITY			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	\$ 396,278	\$ (5,275)	\$ 391,003
Billings in excess of costs and estimated earnings	128,252	(49,769)	78,483
Accrued income taxes	7,166	(7,166)	-
Loans payable to related parties	<u>14,743</u>	<u>-</u>	<u>14,743</u>
Total current liabilities	<u>546,439</u>	<u>(62,210)</u>	<u>484,229</u>
STOCKHOLDERS' EQUITY			
Preferred stock	-	-	-
Common stock	24,203	(2)	24,201
Additional paid-in capital	1,555,130	(986)	1,554,144
Accumulated deficit	<u>(1,351,560)</u>	<u>(32,169)</u>	<u>(1,383,729)</u>
Total stockholders' equity	<u>227,773</u>	<u>(33,157)</u>	<u>194,616</u>
Total liabilities and stockholders' equity	<u>\$ 774,212</u>	<u>\$ (95,367)</u>	<u>\$ 678,845</u>

The effect of the restatement adjustments on the Consolidated Statement of Operations for the year ended December 31, 2017 follows:

	As Previously Reported <u>(Unaudited)</u>	Restatement Adjustments <u>(Unaudited)</u>	As Restated <u>(Unaudited)</u>
Revenue:			
Construction contracts	\$ 2,939,634	\$ 30,612	\$ 2,970,246
Educational software and products	-	-	-
Total revenue	2,939,634	30,612	2,970,246
Cost of construction contracts	1,969,821	(20,720)	1,949,101
Gross profit	969,813	51,332	1,021,145
Operating Expenses:			
Selling, general and administrative	947,219	90,667	1,037,886
Depreciation expense	2,656	-	2,656
Total operating expenses	949,875	90,667	1,040,542
Income (loss) from operations	19,938	(39,335)	(19,397)
Other expenses (income):			
Total other expenses-net	-	-	-
Net income (loss) before income taxes	19,938	(39,335)	(19,397)
Provision for income taxes	7,166	(7,166)	-
Net income (loss)	\$ 12,772	\$ (32,169)	\$ (19,397)
Basic and diluted income (loss) per common share	\$ 0.00	-	\$ (0.00)
Weighted average common shares outstanding-basic and diluted	23,917,680	-	23,917,680

The effect of the restatement adjustments on the Consolidated Statement of Cash Flows for the year ended December 31, 2017 follows:

	As Previously Reported <u>(Unaudited)</u>	Restatement Adjustments <u>(Unaudited)</u>	As Restated <u>(Unaudited)</u>
OPERATING ACTIVITIES			
Net income (loss)	\$ 12,772	\$ (32,169)	\$ (19,397)
Adjustments to reconcile net income (loss) to net cash provided (used) in operating activities:			
Depreciation expense	2,656	-	2,656
Stock-based compensation	66,864	-	66,864
Changes in operating assets and liabilities:			
Accounts receivable	(114,693)	87,156	(27,537)
Costs and estimated earnings in excess of billings	(16,632)	4,839	(11,793)
Accounts payable and accrued expenses	312,548	(6,083)	306,465
Billings in excess of costs and estimated earnings	(154,862)	(49,769)	(204,631)
Accrued income taxes	7,166	(7,166)	-
Net cash provided in operating activities	<u>115,819</u>	<u>(3,192)</u>	<u>112,627</u>
INVESTING ACTIVITIES			
Purchase of office equipment and vehicles	(5,800)	-	(5,800)
Security deposits	(2,200)	-	(2,200)
Deposits and costs coincident to acquisition of land for development	(131,472)	-	(131,472)
Net cash (used) in investing activities	<u>(139,472)</u>	<u>-</u>	<u>(139,472)</u>
FINANCING ACTIVITIES			
Proceeds from sale of common stock	5,000	-	5,000
Net cash provided by financing activities	<u>5,000</u>	<u>-</u>	<u>5,000</u>
NET INCREASE (DECREASE) IN CASH	(18,653)	(3,192)	(21,845)
CASH BALANCE, BEGINNING OF PERIOD	<u>266,709</u>	<u>-</u>	<u>266,709</u>
CASH BALANCE, END OF PERIOD	\$ <u>248,056</u>	<u>(3,192)</u>	\$ <u>244,864</u>

Note 7 (Income Taxes) has been restated to reflect the amount of the net operating loss carryforward for years ended prior to December 31, 2017 of \$55,004 (after utilization of \$63,203 in 2016). In addition, the restated income tax note reflects a calculated deferred tax asset of \$0 at December 31, 2017 for which a full NOL carryforward has been used.

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

None.

ITEM 9A. – CONTROLS AND PROCEDURES.

(a) Disclosure Controls and Procedures

The Company is required to maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in its reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms, and that such information is accumulated and communicated to the Company's management, including its chief executive officer (also its principal executive officer) and its chief financial officer (also its principal financial and accounting officer) to allow for timely decisions regarding required disclosure.

Pursuant to Rule 13a-15(b) under the Securities Exchange Act of 1934 ("Exchange Act"), the Company's management, including the Company's President ("President"), the Company's principal executive officer ("CEO") and Chief Financial Officer ("CFO") (the Company's principal financial and accounting officer), have evaluated the effectiveness of the Company's disclosure controls and procedures (as defined under Rule 13a-15(e) under the Exchange Act) as of the end of the period covered by this report. Based upon that evaluation the Company's CEO, President and CFO concluded that the Company's disclosure controls and procedures were effective as of December 31, 2016 to ensure that information required to be disclosed by the Company in the reports that the Company files or submits under the Exchange Act, is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including the Company's CEO and CFO, as appropriate, to allow timely decisions regarding required disclosure.

(b) Management's Report on Internal Control over Financial Reporting

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rule 13a-15(f) or 15d-15(f) promulgated under the Securities Exchange Act of 1934 as a process designed by, or under the supervision of, the company's principal executive and principal financial officers and effected by the company's board of directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States of America and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the company;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Because of the inherent limitations of internal control, there is a risk that material misstatements may not be prevented or detected on a timely basis by internal control over financial reporting. However, these inherent limitations are known features of the financial reporting process. Therefore, it is possible to design into the process safeguards to reduce, though not eliminate, this risk.

As of December 31, 2017, management assessed the effectiveness of the Company's internal control over financial reporting based on the criteria for effective internal control over financial reporting established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") and SEC guidance on conducting such assessments. Based on that evaluation, the Company concluded that, during the period covered by this report, such internal controls and procedures were not effective to detect the inappropriate application of US GAAP rules as more fully described below. This was due to deficiencies that existed in the design or operation of its internal controls over financial reporting that adversely affected its internal controls and that may be considered to be material weaknesses.

The matters involving internal controls and procedures that the Company's management considered to be material weaknesses under the standards of the Public Company Accounting Oversight Board was (a) the lack of a functioning audit committee, (b) there are insufficient written policies and procedures for accounting and financial reporting with respect to the requirements and application of US GAAP and SEC disclosure requirements, (c) there is a lack of expertise with US generally accepted accounting principles and SEC rules and regulations for review of critical accounting areas and disclosures and material non-standard transactions and (d) lack of effective oversight during the financial close process resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures. The aforementioned material weaknesses were identified by the Company's management in connection with the review of its financial statements for the year ended December 31, 2017.

Management believes that the material weaknesses set forth above did not have an effect on its financial results. However, management believes that the lack of a functioning audit committee and the lack of a majority of outside directors, coupled with not having individuals on staff or retainer with a thorough knowledge of US GAAP and SEC rules and regulations and lack of effective oversight on the financial close process results in ineffective oversight in the establishment and monitoring of required internal controls and procedures, which could result in a material misstatement in its financial statements in future periods.

This annual report does not include an attestation report of the Company's registered public accounting firm regarding internal control over financial reporting. Management's report was not subject to attestation by its registered public accounting firm pursuant to temporary rules of the SEC that permit the Company to provide only management's report in this annual report.

Remediation Plan

Management is sensitive to the issues presented and intends to take appropriate action when the Company's financial resources permit. Management will continue to review and make necessary changes to the overall design of its internal control environment

PART III

Item 10. Directors, Executive Officers and Corporate Governance

Family Relationships

There are no family relationships among any of our officers or directors.

Indemnification of Directors and Officers

Our Articles of Incorporation and Bylaws both provide for the indemnification of our officers and directors to the fullest extent permitted by Nevada law.

Limitation of Liability of Directors

Pursuant to the Nevada General Corporation Law, our Articles of Incorporation exclude personal liability for our Directors for monetary damages based upon any violation of their fiduciary duties as Directors, except as to liability for any breach of the duty of loyalty, acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, or any transaction from which a Director receives an improper personal benefit. This exclusion of liability does not limit any right which a Director may have to be indemnified and does not affect any Director's liability under federal or applicable state securities laws. We have agreed to indemnify our directors against expenses, judgments, and amounts paid in settlement in connection with any claim against a Director if he acted in good faith and in a manner he believed to be in our best interests.

Election of Directors and Officers

Directors are elected to serve until the next annual meeting of stockholders and until their successors have been elected and qualified. Officers are appointed to serve until the meeting of the Board of Directors following the next annual meeting of stockholders and until their successors have been elected and qualified.

Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), requires our executive officers and directors, and persons who beneficially own more than ten percent of our common stock, to file initial reports of ownership and reports of changes in ownership with the SEC. Executive officers, directors and greater-than-ten-percent beneficial owners are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file. Based upon a review of the copies of such forms furnished to us and written representations from our executive officers and directors, we believe that as of the date of this filing they were all current in their filings.

Code of Ethics

A code of ethics relates to written standards that are reasonably designed to deter wrongdoing and to promote:

- 1) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- 2) Full, fair, accurate, timely and understandable disclosure in reports and documents that are filed with, or submitted to, the Commission and in other public communications made by an issuer;
- 3) Compliance with applicable governmental laws, rules and regulations;
- 4) The prompt internal reporting of violations of the code to an appropriate person or persons identified in the code; and
- 5) Accountability for adherence to the code.

We have not adopted a corporate code of ethics that applies to our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions.

Our decision to not adopt such a code of ethics results from our having a small management structure for the Company. We believe that the limited interaction which occurs having such a small management structure for the Company eliminates the current need for such a code, in that violations of such a code would be reported to the party generating the violation.

Corporate Governance

We currently do not have standing audit, nominating and compensation committees of the board of directors, or committees performing similar functions. Until formal committees are established, our entire board of directors will perform the same functions as an audit, nominating and compensation committee.

DIRECTORS AND EXECUTIVE OFFICERS

The name, age and titles of our executive officers and directors is as follows:

Name and Address of Executive Officer and/or Director	Age	Position
Vincent C. Simonelli	53	President, Treasurer, and Director (Principal Executive, Financial and Accounting Officer)
Kathleen M. Dotoli	52	Director
Richard Pezzullo	60	Director
Valerie Jones	47	Secretary

AUDIT COMMITTEE

We do not have an audit committee financial expert. We do not have an audit committee financial expert because we believe the cost related to retaining a financial expert at this time is prohibitive.

ITEM 11. EXECUTIVE COMPENSATION

The table below summarizes all compensation awarded to, earned by, or paid to our executive officers by any person for all services rendered in all capacities to us for the year ended December 31, 2017.

Summary Compensation Table

Name and Principal Position	Year	Salary (a) (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	All Other Compensation (\$)	All Other Compensation (\$)	Total (\$)
Vincent C. Simonelli	2017	\$ 54,000	-0-	-0-	\$ 42,709	-0-	-0-	-0-	\$ 96,709
President, CEO and Treasurer	2016	\$ 6,000	-0-	\$ 2,500	-0-	-0-	-0-	-0-	\$ 8,500
Valerie Jones	2017	\$ 66,000	-0-	-0-	\$ 8,542	-0-	-0-	-0-	\$ 74,542
Secretary	2016	\$ 15,400	-0-	\$ 2,500	-0-	-0-	-0-	-0-	\$ 17,900

There are no current employment agreements between the company and its officers.

Note (a): These payroll amounts represent allocated payroll paid by DHL, which is currently a 17.9% owner of the Company.

CHANGE OF CONTROL

As of December 31, 2017, we had no pension plans or compensatory plans or other arrangements which provide compensation in the event of a termination of employment or a change in our control.

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

The following table provides certain information regarding the ownership of our common stock, as of March 23, 2018 and as of the date of the filing of this annual report by:

- each of our executive officers;
- each director;
- each person known to us to own more than 5% of our outstanding common stock; and
- all of our executive officers and directors and as a group.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percentage
Common Stock	Vincent Simonelli CEO & Director	13,762,571 shares of common stock (1)	56.83%
	Valerie Jones Secretary	180,000 shares of common stock	.74%
	Kathleen Dotoli Director	74,500 shares of common stock	.31%
	Richard Pezzullo Director	110,000 shares of common stock	.45%
	Athena. Monahan*	3,000,000 shares of common stock	12.39%
	Roger L. Fidler Esq.	1,650,000 shares of common stock	6.81%
All officers and directors (4 persons)		14,127,071 shares of common stock	58.34%

The percent of class is based on 24,215,963 shares of common stock issued and outstanding, including 202,510 shares committed and not yet issued, as of the date of this annual report.

(1) Includes 4,335,996 shares owned by Dream Homes Ltd. (DHL) and 2,266,575 shares owned by General Property Investments LLC (GPIL). Mr. Simonelli owns 80% of DHL and 100% of GPIL.

*Athena Monahan is the heir to the shares of Mr. Monahan, her husband.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS

On March 1, 2017, DHDC committed to issue 71,429 restricted shares of common stock (issued April 24, 2017) to DHL valued at \$10,000, representing the amount of the refundable deposit on land made by DHL to the Seller in January 2017 for the Berkeley Township New Jersey contract (see Note 3).

On March 14, 2017, DHL assigned 275,000 restricted shares of Company common stock it held to the same minority stockholder of DHL that it assigned 100,000 shares of Company common stock on October 13, 2016 (see sixth preceding paragraph).

On April 26, 2017, DHDC issued 100,000 shares of restricted stock to General Development Corp. as payment of an assignment fee related to the 58 unit townhouse development in Lacey Township, NJ (see Note 3).

On July 12, 2017, DHDC issued 40,000 restricted shares of DHDC's common stock to Dream Homes, Ltd. ("DHL") in exchange for vehicles owned by DHL. The transaction reflected \$6,000 net carrying value of the assets on DHL's books at July 12, 2017.

On December 8, 2017, DHDC committed to issue 162,200 restricted shares of common stock to DHL valued at \$48,658, representing the assignment to purchase property from DHL for the Lacey Township New Jersey contract (see Note 3).

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

During fiscal year ended December 31, 2017, we incurred approximately \$29,500 in fees to our principal independent accountants for professional services rendered in connection with the audit of our financial statements and for the quarterly reviews of our financial statements.

	2017	2016
Audit Fees	\$ 29,500	\$ 14,500
Tax Fees	Nil	Nil
All Other Fees	Nil	Nil
Total	\$ 29,500	\$ 14,500

PART IV

Item 15. Exhibits

The following exhibits are filed as part of this annual report.

Exhibits Number	Description
3.1 (1)	Certificate of Incorporation of The Virtual Learning Company, Inc.
3.2 (1)	By-laws of The Virtual Learning Company, Inc.
4.1 (1)	Sample Stock Certificate
10.1 (1)	Intellectual Property Purchase Agreement
10.2 (1)	Consulting Agreement with William Kazmierczak
*31.1	Certification of Principal Executive Officer and Principal Financial Officer, pursuant to SEC Rules 13a-14(a) and 15d-14(a), adopted pursuant Section 302 of the Sarbanes Oxley Act of 2002
*32.1	Certification of Chief Executive Officer and Principal Financial Officer, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
*101.INS	XBRL Instance Document
*101.SCH	XBRL Taxonomy Extension Schema Document
*101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
*101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
*101.LAB	XBRL Taxonomy Extension Label Linkbase Document
*101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

(1) Previously filed.

(*) Filed herewith.

SIGNATURES

In accordance with the requirements of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dream Homes & Development Corporation

Dated: April 25, 2019

By: /s/ Vincent Simonelli

Vincent Simonelli, President, Principal Executive and Financial and
Accounting Officer

CERTIFICATIONS

I, Vincent C. Simonelli, certify that:

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

Date: April 25, 2019

/s/ Vincent C. Simonelli

CEO and CFO

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the annual report of Dream Homes & Development Corporation (the “Company”) on Form 10-K/A for the year ended December 31, 2018 (the “Report”), as filed with the Securities and Exchange Commission on the date hereof, I, Vincent C. Simonelli, CEO and CFO of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

/s/ Vincent C. Simonelli

CEO and CFO

Dated: April 25, 2019

A signed original of this written statement required by Section 906 has been provided to Dream Homes & Development Corporation and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.
