INTERNATIONAL SPIRIT & BEVERAGE GROUP, INC.
(Formerly FIMA, INC.)
(A Nevada Corporation)

FINANCIAL STATEMENTS
(UNAUDITED)
For the Years Ended December 31, 2016 and 2015

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INTERNATIONAL SPIRIT & BEVERAGE GROUP, INC. (Formerly Fima, Inc.)
BALANCE SHEETS
(Unaudited)

	December 31, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash	$ 5,529	$ 2,354
Accounts Receivable	316,800	70,800
Inventory	68,062	145,562
Prepaid expenses	-	203,103
Total current assets	390,391	421,819
Property and equipment, net	6,220	8,050
Total assets	$ 396,611	$ 429,869
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	$ 15,676	$ 42,188
Accrued expenses	172,943	73,762
Deferred revenues	310,680	-
Convertible notes payable, net of discounts of $-0- and $294,513 at December 31, 2016 and 2015, respectively	922,486	597,723
Total current liabilities	1,421,785	713,673
Stockholders' equity (deficit):		
Convertible series B preferred stock, $0.00001 par value, 100,000 shares authorized, no shares issued and outstanding at December 31, 2016 and 2015	-	-
Series E preferred stock, $0.00001 par value, 1,000,000 shares authorized, 1,000,000 shares issued and outstanding at December 31, 2016 and 2015	10	10
Common stock, $0.00001 par value, 4,950,000,000 shares authorized, 2,376,609,947 and 616,872,597 shares issued and outstanding at December 31, 2016 and 2015, respectively	23,766	6,169
Additional paid in capital	3,902,297	3,406,589
Subscriptions payable, consisting of 122,700,000 and 115,200,000 shares at December 31, 2016 and 2015, respectively	996,467	988,967
Accumulated deficit	(5,947,714)	(4,685,539)
Total stockholders' equity (deficit)	(1,025,174)	(283,804)
Total liabilities and stockholders' equity (deficit)	$ 396,611	$ 429,869

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

INTERNATIONAL SPIRIT & BEVERAGE GROUP, INC. (Formerly Fima, Inc.)
STATEMENTS OF OPERATIONS
(Unaudited)

	For the Years Ended December 31, 2016	For the Years Ended December 31, 2015
Revenue	$ 142,140	$ 100,800
Cost of goods sold	82,270	65,000
Gross profit	59,870	35,800
Operating expenses:		
General and administrative	276,659	657,957
Compensation	168,494	285,686
Professional fees	290,907	1,236,008
Depreciation	1,830	1,098
Total operating expenses	737,890	2,180,749
Net operating loss	(678,020)	(2,144,949)
Other income (expense):		
Interest income	-	81
Interest expense	(584,155)	(217,062)
Total other income (expenses)	(584,155)	(216,981)
Net loss	$ (1,262,175)	$ (2,361,930)
Weighted average number of common shares outstanding - basic and fully diluted	1,759,795,459	424,942,349
Net loss per share - basic and fully diluted	$ (0.00)	$ (0.01)

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

INTERNATIONAL SPIRIT & BEVERAGE GROUP, INC. (Formerly Fima, Inc.)
STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
(Unaudited)

	Series E Preferred Stock		Common Stock		Additional Paid-In	Subscriptions	Accumulated	Total Stockholders'
	Shares	Amount	Shares	Amount	Capital	Payable	Deficit	Equity (Deficit)
Balance, December 31, 2014	-	$ -	571,458,097	$ 5,715	$ 1,936,715	$ -	$ (1,952,784)	$ (10,354)
Preferred stock issued for services, related parties	1,000,000	10	-	-	139,790	-	-	139,800
Common stock subscriptions payable sold for cash	-	-	-	-	-	988,967	-	988,967
Common stock issued for conversion of debt	-	-	189,264,500	1,893	1,235	-	-	3,128
Common stock issued for services, related parties	-	-	97,000,000	970	600,430	-	-	601,400
Common stock issued for services	-	-	40,000,000	400	247,600	-	-	248,000
Common stock voluntarily cancelled	-	-	(280,850,000)	(2,809)	2,809	-	-	-
Beneficial conversion feature of convertible note	-	-	-	-	478,010	-	-	478,010
Equity acquired in merger	-	-	-	-	-	-	(370,825)	(370,825)
Net loss for the year ended December 31, 2015	-	-	-	-	-	-	(2,361,930)	(2,361,930)
Balance, December 31, 2015	1,000,000	$ 10	616,872,597	$ 6,169	$ 3,406,589	$ 988,967	$ (4,685,539)	$ (283,804)
Common stock subscriptions payable sold for cash	-	-	-	-	-	7,500	-	7,500
Common stock issued for conversion of debt	-	-	1,768,237,350	17,682	253,323	-	-	271,005
Common stock issued for services	-	-	90,000,000	900	241,400	-	-	242,300
Common stock voluntarily cancelled	-	-	(98,500,000)	(985)	985	-	-	-
Net loss for the year ended December 31, 2016	-	-	-	-	-	-	(1,262,175)	(1,262,175)
Balance, December 31, 2016	1,000,000	$ 10	2,376,609,947	$ 23,766	$ 3,902,297	$ 996,467	$ (5,947,714)	$ (1,025,174)

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

INTERNATIONAL SPIRIT & BEVERAGE GROUP, INC. (Formerly Fima, Inc.)
STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Years Ended December 31, 2016	For the Years Ended December 31, 2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	$ (1,262,175)	$ (2,361,930)
Accumulated deficit acquired in merger	-	(370,825)
Adjustments to reconcile net loss		
to net cash used in operating activities:		
Depreciation	1,830	1,098
Amortization of debt discounts	294,513	183,497
Assumed convertible debt	154,000	265,000
Stock based compensation, related parties	-	741,200
Stock based compensation	242,300	248,000
(Decrease) increase in assets:		
Accounts receivable	(246,000)	(70,800)
Inventory	77,500	(145,562)
Prepaid expenses	203,103	(203,103)
Increase (decrease) in liabilities:		
Accounts payable	(26,512)	42,188
Accrued expenses	135,186	72,772
Deferred revenues	310,680	-
Net cash used in operating activities	(115,575)	(1,598,465)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(9,148)
Net cash used in investing activities	-	(9,148)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable, related parties	-	261,955
Repayments on convertible notes payable	(10,000)	(261,955)
Proceeds from convertible notes payable	121,250	621,000
Proceeds from the sale of common stock subscriptions payable	7,500	988,967
Net cash provided by financing activities	118,750	1,609,967
NET CHANGE IN CASH	3,175	2,354
CASH AT BEGINNING OF PERIOD	2,354	-
CASH AT END OF PERIOD	$ 5,529	$ 2,354
SUPPLEMENTAL INFORMATION:		
Interest paid	$ 455	$ -
Income taxes paid	$ -	$ -
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Discount on beneficial conversion feature	$ -	$ 478,010
Value of shares issued for conversion of debt	$ 271,005	$ 2,500

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

Note 1 – Basis of Presentation and Significant Accounting Policies

Business

International Spirit & Beverage Group, Inc. ("ISBG") was formed under the laws of the State of Texas on September 12, 2014. In March 2015, ISBG merged with and into FIMA, Inc., a Nevada corporation, with FIMA, Inc. being the surviving entity. FIMA, Inc. then changed its corporate name to International Spirit and Beverage Group, Inc., and remains a Nevada corporation. (Formerly FIMA Development Incorporated, which was formed under the laws of the State of Nevada on September 18, 2006). On May 9, 2007 FIMA Development Incorporated entered into a "Share Exchange Agreement" with Fishing Buddy Inc. (FBI), another Nevada corporation. FIMA Development Incorporated agreed to sell all of their shares to FBI in exchange for Nineteen Million Five Hundred Thousand (19,500,000) shares of FBI common stock. FBI, after acquiring the stock of FIMA Development Incorporated, then filed a Corporate Resolution and Certificate of Amendment with the State of Nevada on May 10, 2007 to change the Corporation's name to FIMA, Inc. (the "Company" or "FIMA"). FIMA's primary business was that of real estate development and acquisition, with a focus on resort regions in Central America and Mexico. The Company also made investments in private or public companies by way of equity or debt, and in 2014 concluded the purchase of an equity interest in American Eagle Operating LLC, a private oil production and exploration company headquartered in Texas.

Basis of Presentation

The accompanying unaudited, condensed financial statements of International Spirit & Beverage Group, Inc. ("the Company") have been prepared pursuant to rules and regulations of the Securities and Exchange Commission ("SEC") and, therefore, do not include all information and footnote disclosures normally included in audited financial statements. However, these statements reflect all adjustments, consisting of normal recurring adjustments, which in the opinion of management are necessary for fair presentation of the information contained therein.

Use of Estimates

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

Cash and Cash Equivalents

The Company maintains cash balances in non-interest-bearing accounts, which do not currently exceed federally insured limits. For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents.

Fair Value of Financial Instruments

Under FASB ASC 820-10-05, the Financial Accounting Standards Board establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This Statement reaffirms that fair value is the relevant measurement attribute. The adoption of this standard did not have a material effect on the Company's financial statements as reflected herein. The carrying amounts of cash, prepaid expenses and accrued expenses reported on the balance sheet are estimated by management to approximate fair value primarily due to the short term nature of the instruments.

Basic and Diluted Loss Per Share

The basic net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding. Diluted net loss per common share is computed by dividing the net loss adjusted on an "as if converted" basis, by the weighted average number of common shares outstanding plus potential dilutive securities. For the periods presented, potential dilutive securities had an anti-dilutive effect and were not included in the calculation of diluted net loss per common share.

Note 1 – Basis of Presentation and Significant Accounting Policies (Continued)

Revenue Recognition
Sales on fixed price contracts are recorded when services are earned, the earnings process is complete or substantially complete, and the revenue is measurable and collectability is reasonably assured. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company defers any revenue from sales in which payment has been received, but the earnings process has not occurred. Amounts billed in advance of the period in which service is rendered are recorded as a liability under "Deferred revenues".

Advertising and Promotion
All costs associated with advertising and promoting products are expensed as incurred. These expenses were $184,234 and $451,468 for the years ended December 31, 2016 and 2015, respectively.

Stock-Based Compensation
Under FASB ASC 718-10-30-2, all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. The Company's stock based compensation expense was $242,300 and $989,200 for the years ended December 31, 2016 and 2015, respectively.

Income Taxes
Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. 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. A valuation allowance is provided for significant deferred tax assets when it is more likely than not, that such asset will not be recovered through future operations.

Uncertain Tax Positions
In accordance with ASC 740, "Income Taxes" ("ASC 740"), the Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be capable of withstanding examination by the taxing authorities based on the technical merits of the position. These standards prescribe a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. These standards also provide guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

Various taxing authorities periodically audit the Company's income tax returns. These audits include questions regarding the Company's tax filing positions, including the timing and amount of deductions and the allocation of income to various tax jurisdictions. In evaluating the exposures connected with these various tax filing positions, including state and local taxes, the Company records allowances for probable exposures. A number of years may elapse before a particular matter, for which an allowance has been established, is audited and fully resolved. The Company has not yet undergone an examination by any taxing authorities.

The assessment of the Company's tax position relies on the judgment of management to estimate the exposures associated with the Company's various filing positions.

Note 1 – Basis of Presentation and Significant Accounting Policies (Continued)

Recent Accounting Pronouncements

In January 2017, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2017-04, *Intangibles – Goodwill and Other (Topic 350)*. ASU 2017-04 simplifies the subsequent measurement of goodwill by removing the second step of the two-step impairment test. The amendment requires an entity to perform its annual, or interim goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount. An impairment charge should be recognized for the amount by which the carrying amount exceeds the reporting unit's fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. An entity still has the option to perform the qualitative assessment for a reporting unit to determine if the quantitative impairment test is necessary. The amendment should be applied on a prospective basis. ASU 2017-04 is effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The Company intends to early adopt the ASU in 2017.

In January 2017, the FASB issued ASU 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*, which clarifies the definition of a business to assist entities with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The standard will be effective for the Company in the first quarter of 2018. Early adoption is permitted. The Company is currently evaluating the impact of adopting this ASU on its consolidated financial statements.

In December 2016, the FASB issued ASU 2016-20, *Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers*. ASU 2016-20 amended guidance regarding accounting for *Revenue from Contracts with Customers*, which requires an entity to recognize the amount of revenue to which it expects to be entitled for the transfer of promised goods or services to customers. When effective, this standard will replace most existing revenue recognition guidance in generally accepted accounting principles ("GAAP"). The standard also requires more detailed disclosures and provides additional guidance for transactions that were not comprehensively addressed in GAAP. This guidance is required to be adopted by us in the first quarter of fiscal 2019 by either recasting all years presented in our financial statements or by recording the impact of adoption as an adjustment to retained earnings at the beginning of the year of adoption. We are currently evaluating the impact this guidance will have on our consolidated financial statements.

In October 2016, the FASB issued ASU No. 2016-17, *Consolidation (Topic 810): Interests Held through Related Parties that are under Common Control*. The amendments in this Update improve GAAP involving situations consisting of common control, wherein a single decision maker focuses on the economics to which it is exposed when determining whether it is the primary beneficiary of a variable interest entity ("VIE") before potentially evaluating which party is most closely associated with the VIE. ASU 2016-17 is effective for public entities for fiscal periods beginning after December 15, 2017, including interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. The Company is currently evaluating the impact of adopting this ASU on its consolidated financial statements.

In October 2016, the FASB issued ASU No. 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory*, which reduces the complexity in the accounting standards by allowing the recognition of current and deferred income taxes for an intra-entity asset transfer, other than inventory, when the transfer occurs. Historically, recognition of the income tax consequence was not recognized until the asset was sold to an outside party. This amendment should be applied on a modified retrospective basis through a cumulative-effect adjustment directly to retained earnings as of the beginning of the period of adoption. ASU 2016-16 is effective for annual periods beginning after December 15, 2017, including interim reporting periods within those annual reporting periods. Early adoption is permitted for all entities as of the beginning of an annual reporting period for which financial statements (interim or annual) have not been issued or made available for issuance. That is, earlier adoption should be in the first interim period if an entity issues interim financial statements. The Company is currently evaluating the impact of adopting this ASU on its consolidated financial statements.

No other new accounting pronouncements, issued or effective during the years ended December 31, 2016 and 2015, have had or are expected to have a significant impact on the Company's financial statements.

Note 2 – Going Concern

As shown in the accompanying financial statements, the Company has insufficient cash on hand, a working capital deficit of $1,031,394 and incurred net losses from operations resulting in an accumulated deficit of $5,947,714, and used $115,575 of cash from operations during the year ended December 31, 2016. These factors raise substantial doubt about the Company's ability to continue as a going concern. The Company is currently seeking additional sources of capital to fund short term operations. The Company, however, is dependent upon its ability to secure equity and/or debt financing and there are no assurances that the Company will be successful; therefore, without sufficient financing it would be unlikely for the Company to continue as a going concern.

The financial statements do not include any adjustments that might result from the outcome of any uncertainty as to the Company's ability to continue as a going concern. The financial statements also do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 3 – Business Combinations

On March 6, 2015, International Spirit and Beverage Group, Inc., a Texas corporation, merged with and into FIMA, Inc., a Nevada corporation, with FIMA, Inc. being the surviving entity. FIMA, Inc. then changed its corporate name to International Spirit and Beverage Group, Inc., and remains a Nevada corporation.

Note 4 – Related Parties

Preferred Stock Issuance
On March 6, 2015, the Company issued 1,000,000 shares of Series E Preferred Stock to Alonzo Pierce, the Company's President and Chairman of the Board for services provided.

Common Stock Issuances for Services
On November 23, 2015, the Company issued a total of 97 million shares of common stock to Top Shelf Brands Holdings for services provided. Alonzo Pierce, the Company's President and Chairman of the Board, is also affiliated with Top Shelf Brands Holdings. The total fair value of the common stock was $601,400 based on the closing price of the Company's common stock on the date of grant. The shares were subsequently cancelled and returned to treasury on July 12, 2016.

Common Stock Cancellations
On January 26, 2015, Marco G. Chavez cancelled a total of 280,850,000 shares of common stock and returned them to treasury in exchange in exchange for a $265,000 convertible promissory note, bearing interest at 3% per annum, which matures on January 31, 2016. Alonzo Pierce, the Company's President and Chairman of the Board, is also a holder of the promissory note.

Note 5 – Fair Value of Financial Instruments

Under FASB ASC 820-10-5, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (an exit price). The standard outlines a valuation framework and creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures. Under GAAP, certain assets and liabilities must be measured at fair value, and FASB ASC 820-10-50 details the disclosures that are required for items measured at fair value.

The Company has certain financial instruments that must be measured under the new fair value standard. The Company's financial assets and liabilities are measured using inputs from the three levels of the fair value hierarchy. The three levels are as follows:

> Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
>
> Level 2 - Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).
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> Level 3 - Unobservable inputs that reflect our assumptions about the assumptions that market participants would use in pricing the asset or liability.

The following schedule summarizes the valuation of financial instruments at fair value on a recurring basis in the balance sheets as of December 31, 2016 and 2015, respectively:

	Fair Value Measurements at December 31, 2016		
	Level 1	Level 2	Level 3
Assets			
Cash	$ 5,529	$ -	$ -
Total assets	5,529	-	-
Liabilities			
Convertible note payable, net of discounts	-	922,486	-
Total liabilities	-	922,486	-
	$ 5,529	$ (922,486)	$ -

	Fair Value Measurements at December 31, 2015		
	Level 1	Level 2	Level 3
Assets			
Cash	$ 2,354	$ -	$ -
Total assets	2,354	-	-
Liabilities			
Convertible note payables payable	-	597,723	-
Total liabilities	-	597,723	-
	$ 2,354	$ (597,723)	$ -

The fair values of our related party debts are deemed to approximate book value, and are considered Level 2 inputs as defined by ASC Topic 820-10-35.

There were no transfers of financial assets or liabilities between Level 1, Level 2 and Level 3 inputs for the years ended December 31, 2016 and 2015.

Note 6 – Deferred Revenues

Product sales are generally recognized upon shipment of product. However, the Company defers recognition of revenues from sales to stocking distributors until such distributors resell the related products to their customers. The Company has deferred recognition of revenues amounting to $310,680 as of December 31, 2016.

Note 7 – Convertible Notes Payable

Convertible notes payable consist of the following at December 31, 2016 and 2015, respectively:

	December 31, 2016	December 31, 2015
On December 13, 2016, we entered into a Convertible Debenture with an individual investor ("Second Goodkin Note"). The Note bears interest at 8%, with a maturity date of December 13, 2017, is convertible at 50% of the lowest traded price over the ten (10) trading days preceding the conversion notice.	$ 7,000	$ -
On November 9, 2016, we entered into a Convertible Debenture with an individual investor ("Second Easter Note"). The Note bears interest at 8%, with a maturity date of November 9, 2017, is convertible at 50% of the lowest traded price over the ten (10) trading days preceding the conversion notice.	5,500	-
On August 12, 2016, we entered into a Convertible Debenture with LOMA Management Partners ("Fifth LOMA Note"). The Note bears interest at 8%, with a maturity date of August 12, 2018, and is convertible at 50% of the lowest traded price over the 10 trading days preceding the conversion notice.	2,750	-
On July 20, 2016, we entered into a Convertible Debenture with LOMA Management Partners ("Fourth LOMA Note"). The Note bears interest at 10%, with a maturity date of July 20, 2017, and is convertible at the lesser of a) $0.01 per share or b) 50% of the lowest bid price over the fifteen (15) trading days preceding the conversion notice.	12,500	-
On July 14, 2016, we entered into a $50,000 Convertible Debenture with Rockwell Capital Partners that was assigned and purchased from the balance of the Second LOMA Note ("Seventh Rockwell Note"). The Note bears interest at 12%, with a maturity date of July 14, 2017, and is convertible at the lesser of a) $0.01 per share or b) 50% of the lowest bid price over the fifteen (15) trading days preceding the conversion notice. On various dates between July 19, 2016 and July 29, 2016, a total of $50,000 of principal was converted into an aggregate of 350 million shares, and the note was settled in full.	-	-
On June 27, 2016, we entered into a Convertible Debenture with Far North Global, LLC ("First Global Note"). The Note bears interest at 8%, with a maturity date of April 14, 2017, and is convertible at 50% of the lowest traded price over the 10 trading days preceding the conversion notice.	16,000	-
On June 6, 2016, we entered into a Convertible Debenture with BB Winks, LLC ("Sixth BB Winks Note"). The Note bears interest at 10%, with a maturity date of June 6, 2017, and is convertible at the lesser of a) $0.01 per share or b) 60% of the current bid price at the time of conversion, but not less than $0.0001 per share.	3,000	-
On May 20, 2016, we entered into a Convertible Debenture with BB Winks, LLC ("Fifth BB Winks Note"). The Note bears interest at 10%, with a maturity date of May 20, 2017, and is convertible at the lesser of a) $0.01 per share or b) 60% of the current bid price at the time of conversion, but not less than $0.0001 per share.	2,500	-
On May 20, 2016, we entered into a Convertible Debenture with BB Winks, LLC ("Fourth BB Winks Note"). The Note bears interest at 10%, with a maturity date of May 20, 2017, and is convertible at the lesser of a) $0.01 per share or b) 60% of the current bid price at the time of conversion, but not less	20,000	-

than $0.0001 per share.		
On May 20, 2016, we assumed a $29,000 Convertible Debenture from Top Shelf Brands Holdings Corporation as owed to Steve and Monica Mazzo ("First Mazzo Note") that originated on October 20, 2014. The Note bears interest at 12%, with a maturity date of October 20, 2017, is convertible at the lesser of a) $0.0001 per share or b) 50% of the closing bid price over the ten (10) trading days preceding the conversion notice, but not less than $0.0001 per share. On May 20, 2016, a total of $14,500 of principal was converted into 145 million shares. The note is currently in default.	14,500	-
On May 12, 2016, we entered into a Convertible Debenture with ValueCorp Trading Co ("Seventh ValueCorp Note"). The Note bears interest at 8%, with a maturity date of May 12, 2017, and is convertible at the lesser of a) $0.01 per share or b) 50% of the closing bid price at the time of conversion.	3,000	-
On May 9, 2016, we entered into a Convertible Debenture with ValueCorp Trading Co ("Sixth ValueCorp Note"). The Note bears interest at 8%, with a maturity date of May 9, 2017, and is convertible at 50% of the lowest traded price over the 10 trading days preceding the conversion notice.	2,000	-
On May 6, 2016, we entered into a Convertible Debenture with ValueCorp Trading Co ("Fifth ValueCorp Note"). The Note bears interest at 8%, with a maturity date of May 6, 2017, and is convertible at 50% of the lowest traded price over the 10 trading days preceding the conversion notice.	3,000	-
On April 14, 2016, we entered into a Convertible Debenture with Rockwell Capital Partners ("Sixth Rockwell Note"). The non-interest bearing Note with a maturity date of April 14, 2018, is convertible at 50% of the lowest traded price over the ten (10) trading days preceding the conversion notice.	10,000	-
On April 12, 2016, we consolidated the outstanding balances on the first four Rockwell Notes in the aggregate amount of $42,688, consisting of $26,000 of principal and $16,688 of accrued interest, and entered into a new Convertible Debenture with Rockwell Capital Partners ("Fifth Rockwell Note"). The Note bears interest at 12%, with a maturity date of April 12, 2017, is convertible at 50% of the lowest traded price over the ten (10) trading days preceding the conversion notice. On various dates between April 15, 2016 and June 2, 2016, a total of $42,688 of principal was converted into an aggregate of 453,750,000 shares, and the note was settled in full.	-	-
On March 12, 2016, we entered into a Convertible Debenture with Sign and Drive Motors Inc. ("Third Sign and Drive Note"). The non-interest bearing Note with a maturity date of March 12, 2018, is convertible at 50% of the lowest traded price over the 10 preceding trading days.	2,000	-
On March 4, 2016, we entered into a Convertible Debenture with Sign and Drive Motors Inc. ("Second Sign and Drive Note"). The non-interest bearing Note with a maturity date of March 4, 2018, is convertible at 50% of the lowest traded price over the 10 preceding trading days.	7,000	-
On February 12, 2016, we entered into a Convertible Debenture with ValueCorp Trading Co ("Fourth ValueCorp Note"). The Note bears interest at 10%, with a maturity date of February 12, 2017, and is convertible at the lesser of a) $0.01 per share or b) 50% of the closing bid price at the time of conversion.	2,500	-
On February 12, 2016, we entered into a Convertible Debenture with	1,000	-

Blackbridge Capital, LLC ("First Blackbridge Note") who purchased and was assigned a $1,000 of debt from the First ODM Note. The Note bears interest at 10%, with a maturity date of February 12, 2017, and is convertible at the lesser of a) $0.01 per share or b) 60% of the current bid price at the time of conversion, but not less than $0.0001 per share. The note is currently in default.		
On February 12, 2016, we entered into a Convertible Debenture with BB Winks, LLC ("Third BB Winks Note"). The Note bears interest at 10%, with a maturity date of February 12, 2017, and is convertible at the lesser of a) $0.01 per share or b) 60% of the current bid price at the time of conversion, but not less than $0.0001 per share.	2,500	-
On January 26, 2016, we entered into a $25,000 Convertible Debenture with Rockwell Capital Partners ("Fourth Rockwell Note") in exchange for a note that we assumed from Top Shelf Brands Holdings Corporation that originated on September 8, 2014. The Note bears interest at 12%, with a maturity date of January 26, 2017, is convertible at 50% of the lowest traded price over the ten (10) trading days preceding the conversion notice. On March 14, 2016, a total of $3,750 of interest, was converted into 25 million shares. On April 12, 2016, the $25,000 of principal and outstanding interest was assigned and consolidated into a new note (Fifth Rockwell Note).	-	-
On January 20, 2016, we entered into a $50,000 Convertible Debenture with Rockwell Capital Partners ("Third Rockwell Note") in exchange for a note that we assumed from Top Shelf Brands Holdings Corporation that originated on July 25, 2014. The Note bears interest at 12%, with a maturity date of January 20, 2017, is convertible at 50% of the lowest traded price over the ten (10) trading days preceding the conversion notice. On various dates between February 5, 2016 and March 7, 2016, a total of $57,700, consisting of $50,000 of principal and $7,700 of interest, was converted into an aggregate of 184 million shares, and the note was settled in full.	-	-
On January 26, 2016, we entered into a $25,000 Convertible Debenture with Rockwell Capital Partners ("Second Rockwell Note") in exchange for a note that we assumed from Top Shelf Brands Holdings Corporation that originated on April 1, 2014. The Note bears interest at 12%, with a maturity date of January 26, 2017, is convertible at 50% of the lowest traded price over the ten (10) trading days preceding the conversion notice. On various dates from March 14, 2016 to April 1, 2016, a total of $27,750, consisting of $24,000 of principal and $3,750 of interest, was converted into an aggregate of 145 million shares. On April 12, 2016, the remaining $1,000 of principal and outstanding interest was assigned and consolidated into a new note (Fifth Rockwell Note).	-	-
On January 26, 2016, we entered into a $25,000 Convertible Debenture with Rockwell Capital Partners ("First Rockwell Note") in exchange for a note that we assumed from Top Shelf Brands Holdings Corporation that originated on February 17, 2014. The Note bears interest at 12%, with a maturity date of January 26, 2017, is convertible at 50% of the lowest traded price over the ten (10) trading days preceding the conversion notice. On various dates between January 27, 2016 and February 11, 2016, a total of $27,850, consisting of $25,000 of principal and $2,850 of interest, was converted into an aggregate of 16 million shares, and the note was settled in full.	-	-
On January 7, 2016, we entered into a Convertible Debenture with an individual investor ("First Barker Note"). The Note bears interest at 10%, with a maturity date of January 7, 2018, is convertible at 50% of the lowest traded price over the ten (10) trading days preceding the conversion notice.	15,000	-

On January 3, 2016, we entered into a Convertible Debenture with an individual investor ("First Easter Note"). The Note bears interest at 8%, with a maturity date of January 3, 2017, is convertible at the lesser of a) $0.01 per share or b) 50% of the lowest bid price over the fifteen (15) trading days preceding the conversion notice. A total of $5,455, consisting of $5,000 of principal and $455 of interest was repaid during July of 2016, and the note was repaid in full.	-	-
On December 15, 2015, we entered into a Convertible Debenture with TB Financial, LLC ("First TB Note"). The Note bears interest at 8%, with a maturity date of December 15, 2016, is convertible at 50% of the lowest traded price over the ten (10) trading days preceding the conversion notice. The note is currently in default.	5,000	5,000
On December 13, 2015, we entered into a Convertible Debenture with an individual investor ("Second Odom Note"). The Note bears interest at 10%, with a maturity date of December 13, 2016, is convertible at the lesser of a) $0.01 per share or b) 50% of the lowest bid price over the fifteen (15) trading days preceding the conversion notice. The note is currently in default.	17,500	17,500
On December 9, 2015, we entered into a Convertible Debenture with an individual investor ("First Odom Note"). The Note bears interest at 10%, with a maturity date of December 9, 2016, is convertible at the lesser of a) $0.01 per share or b) 50% of the lowest bid price over the fifteen (15) trading days preceding the conversion notice. The note is currently in default.	12,500	12,500
On December 2, 2015, we entered into a Convertible Debenture with ValueCorp Trading Co ("Third ValueCorp Note"). The Note bears interest at 10%, with a maturity date of December 2, 2016, and is convertible at the lesser of a) $0.01 per share or b) 50% of the closing bid price at the time of conversion. The note is currently in default.	12,500	12,500
On November 13, 2015, we entered into a Convertible Debenture with LOMA Management Partners ("Third LOMA Note"). The Note bears interest at 10%, with a maturity date of November 13, 2016, and is convertible at the lesser of a) $0.01 per share or b) 50% of the lowest bid price over the fifteen (15) trading days preceding the conversion notice. The note is currently in default.	30,000	30,000
On November 4, 2015, we entered into a Convertible Debenture with BB Winks, LLC ("Second BB Winks Note"). The Note bears interest at 10%, with a maturity date of November 4, 2016, and is convertible at the lesser of a) $0.01 per share or b) 50% of the current bid price at the time of conversion, but not less than $0.0001 per share. The note is currently in default.	5,000	5,000
On October 20, 2015, we entered into a Convertible Debenture with BB Winks, LLC ("First BB Winks Note"). The Note bears interest at 10%, with a maturity date of October 20, 2016, and is convertible at the lesser of a) $0.01 per share or b) 50% of the current bid price at the time of conversion, but not less than $0.0001 per share. The note is currently in default.	15,000	15,000
On October 14, 2015, we entered into a Convertible Debenture with Post Oak, LLC ("Second Post Oak Note"). The Note bears interest at 8%, with a maturity date of October 14, 2016, and is convertible at the lesser of a) $0.01 per share or b) 50% of the lowest bid price over the fifteen (15) trading days preceding the conversion notice. The note is currently in default.	45,000	45,000
On October 10, 2015, we entered into a Convertible Debenture with Carriage Consulting Group ("First CCG Note"). The Note bears interest at 10%, with a	30,000	30,000

maturity date of October 10, 2016, and is convertible at the lesser of a) $0.01 per share or b) 50% of the closing bid price at the time of conversion. The note is currently in default.		
On September 14, 2015, we entered into a Convertible Debenture with ValueCorp Trading Co ("Second ValueCorp Note"). The Note bears interest at 10%, with a maturity date of September 15, 2016, and is convertible at the lesser of a) $0.01 per share or b) 50% of the closing bid price at the time of conversion. The note is currently in default.	8,000	8,000
On September 3, 2015, we entered into a Convertible Debenture with Post Oak, LLC ("Second Post Oak Note"). The Note bears interest at 8%, with a maturity date of September 3, 2016, and is convertible at the lesser of a) $0.01 per share or b) 50% of the lowest bid price over the fifteen (15) trading days preceding the conversion notice. The note is currently in default.	250,000	250,000
On July 17, 2015, we entered into a Convertible Debenture with an individual investor ("Second Fischer Note"). The Note bears interest at 10%, with a maturity date of July 17, 2016, is convertible at 50% of the lowest bid price on the date immediately preceding the conversion notice. The note is currently in default.	2,500	2,500
On July 15, 2015, we entered into a Convertible Debenture with an individual investor ("First Fischer Note"). The Note bears interest at 10%, with a maturity date of July 15, 2016, is convertible at 50% of the lowest bid price on the date immediately preceding the conversion notice. The note is currently in default.	2,500	2,500
On June 30, 2015, we entered into a Convertible Debenture with an individual investor ("Second Roth Note"). The Note bears interest at 10%, with a maturity date of June 30, 2016, is convertible at 50% of the lowest bid price on the date immediately preceding the conversion notice. The note is currently in default.	5,000	5,000
On June 29, 2015, we entered into a Convertible Debenture with Strategic Tactical Asset Trading, LLC ("First STAT Note"). On February 9, 2016, the lender converted $250 principal for 25 million shares of common stock. The Note bears interest at 10%, with a maturity date of June 29, 2016, and is convertible at 50% of the lowest bid price on the date immediately preceding the conversion notice. The note is currently in default.	4,750	5,000
On May 15, 2015, we entered into an $80,000 Convertible Debenture with LOMA Management Partners ("Second LOMA Note"). The Note bears interest at 8%, with a maturity date of November 15, 2015, and is convertible at the lesser of a) $0.01 per share or b) 50% of the lowest bid price over the fifteen (15) trading days preceding the conversion notice. On July 28, 2016, the lender converted $30,000 of principal in exchange for 200 million shares of common stock. On July 14, 2016, the remaining principal balance of $50,000 was sold and assigned by the lender and the Company exchanged it for a new note (Seventh Rockwell Note).	-	80,000
On May 5, 2015, we entered into a Convertible Debenture with LOMA Management Partners ("Second LOMA Note"). The Note bears interest at 8%, with a maturity date of November 5, 2015, and is convertible at the lesser of a) $0.01 per share or b) 50% of the lowest bid price over the fifteen (15) trading days preceding the conversion notice. The note is currently in default.	20,000	20,000
On April 27, 2015, we entered into a $12,000 Convertible Debenture with ValueCorp Trading Co ("First ValueCorp Note"). The Note bears interest at 10%, with a maturity date of April 27, 2016, and is convertible at the lesser of	-	12,000

a) $0.01 per share or b) 50% of the closing bid price at the time of conversion. On various dates between May 11, 2016 and May 19, 2016, the lender converted a total of $13,268, consisting of $12,000 of principal and $1,268 of interest, in exchange for an aggregate of 99,487,350 shares of common stock in full settlement of the note.		
On April 27, 2015, we entered into a Convertible Debenture with an individual investor ("First Sign & Drive Note"). The Note bears interest at 10%, with a maturity date of April 27, 2016, is convertible at 50% of the lowest bid price on the date immediately preceding the conversion notice. The note is currently in default.	15,000	15,000
On April 27, 2015, we entered into a Convertible Debenture with an individual investor ("First Goodkin Note"). The Note bears interest at 10%, with a maturity date of April 27, 2016, is convertible at 50% of the lowest bid price on the date immediately preceding the conversion notice. A total of $5,000 was repaid on September 25, 2016 in cash. The note is currently in default.	10,000	15,000
On April 8, 2015, we entered into a Convertible Debenture with an individual investor ("First Roth Note"). The Note bears interest at 10%, with a maturity date of April 8, 2016, is convertible at 50% of the lowest bid price on the date immediately preceding the conversion notice. On February 9, 2016, the lender converted $250 principal for 25 million shares of common stock. The note is currently in default.	2,250	2,500
On March 20, 2015, we entered into a Convertible Debenture with an individual investor ("Second Rosenthal Note"). The Note bears interest at 10%, with a maturity date of March 20, 2016, is convertible at 50% of the lowest bid price on the date immediately preceding the conversion notice. The note is currently in default.	8,500	8,500
On March 6, 2015, we entered into a Convertible Debenture with MVD Group, LLC ("First MVD Note"). The Note bears interest at 12%, with a maturity date of March 6, 2016, and is convertible at the greater of a) $0.0001 per share or b) 50% of the lowest bid price over the ten (10) days immediately preceding the conversion notice. The note is currently in default.	10,000	10,000
On February 23, 2015, we entered into a Convertible Debenture with an individual investor ("First Rosenthal Note"). The Note bears interest at 10%, with a maturity date of February 23, 2016, is convertible at 50% of the lowest bid price on the date immediately preceding the conversion notice. The note is currently in default.	12,500	12,500
On January 26, 2015, we entered into an Amended and Restated Convertible Debenture with Plus Odds, Inc. to amend and restate the convertible debenture issued to Plus Odds, Inc. ("First Plus Odds Note"), pursuant to which Mr. Chavez cancelled and returned to treasury a total of 280,850,000 shares of common stock in exchange for the convertible promissory note bearing interest at 3% per annum. The Note has a maturity date of January 31, 2016, and is convertible at the greater of (i) an amount equal to the volume weighted average price (the "VWAP") of the closing bid price on the trading day immediately preceding the conversion notice (up to $50K convertible per day, providing the VWAP is not below $0.50 per share) or (ii) fifty cents ($0.50) per share. On March 23, 2017, the Company and the holder agreed to amend the note to extend the maturity date to January 15, 2018, increased the interest rate to 8%, payable quarterly, and revised the conversion terms to enable the holder to convert up to $25,000 at a time at a conversion rate equal to 50% of the lowest closing traded price over the preceding 15 days from the conversion notice.	265,000	265,000

On December 10, 2013, we entered into a Consolidated Convertible Note Agreement with our former CEO, Don Morrison ("First Morrison Note"), pursuant to which we settled $9,364 of outstanding accounts payable owed to Mr. Morrison in exchange for a convertible promissory note bearing interest at 10% per annum. The Note had a maturity date of January 10, 2015, and is convertible at the lesser of (i) $0.00001 per share or (ii) fifty percent (50%) of the average closing bid price for the Company's common stock over the ten (10) trading days immediately preceding (a) the Holder's receipt of shares pursuant to such Conversion or payment, or (b) Notice of such Conversion. The Note can be prepaid by us at a 150% premium after one year from the origination date of the note with a thirty (30) day written notice. The note holder sold and assigned the note to a third party ("First ODM Note") who subsequently converted a total of $6,128 in exchange for an aggregate of 289,264,500 shares on various dates between March 10, 2015 and May 22, 2016. In addition, another $1,000 of principal was sold and assigned to a third party (Blackbridge Note #1) on February 12, 2016. Currently in default.	2,236	6,236
Total convertible notes payable	922,486	892,236
Less unamortized debt discounts:		
Discount on beneficial conversion feature	-	294,513
Convertible notes payable	922,486	597,723
Less: current portion	922,486	597,723
Convertible notes payable, less current portion	$ -	$ -

The shares of common stock issuable upon conversion of the Notes listed above will be restricted securities as defined in Rule 144 promulgated under the Securities Act of 1933. The terms of each convertible note placed a "maximum share amount" on the note holder that can be owned as a result of the conversions to common stock by the note holder of 4.99% of the issued and outstanding shares of the Company.

The Company recognized interest expense for the years ended December 31, 2016 and 2015, respectively, as follows:

	December 31, 2016	December 31, 2015
Interest on related party loans	$ -	$ -
Interest on convertible notes	135,642	35,565
Finance costs, assumed convertible debt	154,000	-
Amortization of beneficial conversion features of debts	294,513	183,497
Total interest expense	$ 584,155	$ 217,062

Note 8 – Changes in Stockholders' Equity (Deficit)

Convertible Series B Preferred Stock

On August 16, 2016, the Company designated 100,000 shares of its 50,000,000 authorized shares of Preferred Stock as Convertible Series B Preferred Stock ("Series B") with a $5.00 par value.

Note 8 – Changes in Stockholders' Equity (Deficit) (Continued)

Series E Preferred Stock
Pursuant to an amendment to the Company's Articles of Incorporation on March 6, 2015, the Company has 50,000,000 authorized shares of Preferred Stock, of which 1,000,000 shares of $0.00001 par value Series E Preferred Stock ("Series E") have been designated and issued. The Series E ranks subordinate and junior to all of the Corporation's common stock, carries no dividends, has no liquidation participation rights and are not redeemable. The collective outstanding shares of Series E Preferred Stock are entitled to twice the number of votes of all outstanding shares of capital stock such that the holders of outstanding shares of Series E shares shall always constitute sixty-six and two thirds (66 2/3rds) of the voting rights of the Corporation. The holders of shares of Common Stock and Series E Preferred Stock shall vote together and not as separate classes.

On March 6, 2015, the Company issued 1,000,000 shares of Series E Preferred Stock to Alonzo Pierce, the Company's President and Chairman of the Board for services provided.

Common Stock
Pursuant to an amendment to the Company's Articles of Incorporation on March 3, 2017, the Company has 4,950,000,000 authorized shares of $0.00001 par value Common Stock.

Common Stock Issuances for Debt Conversions (2016)
During the three months ended September 30, 2016, the Company issued a total of 550 million shares of common stock pursuant to the conversion of an aggregate $80,000 of principal debt conversions. The notes were converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

During the three months ended June 30, 2016, the Company issued a total of 858,237,350 shares of common stock pursuant to the conversion of an aggregate $85,455 of debt conversions, consisting of $84,188 of principal and $1,267 of interest. The notes were converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

During the three months ended March 31, 2016, the Company issued a total of 360 million shares of common stock pursuant to the conversion of an aggregate $105,550 of debt conversions, consisting of $87,500 of principal and $18,050 of interest. The notes were converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

Common Stock Issuances for Debt Conversions (2015)
On November 4, 2015, the Company issued 12,500,000 shares of common stock pursuant to the conversion of $313 of outstanding principal on the First Morrison Note. The $313 of principal on the note was sold and assigned to a third party prior to conversion. The note was converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

On October 1, 2015, the Company issued 12,600,500 shares of common stock pursuant to the conversion of $315 of outstanding principal on the First Morrison Note. The $315 of principal on the note was sold and assigned to a third party prior to conversion. The note was converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

On August 24, 2015, the Company issued 14,164,000 shares of common stock pursuant to the conversion of $1,000 of outstanding principal on the First Morrison Note. The $1,000 of principal on the note was sold and assigned to a third party prior to conversion. The note was converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

On April 17, 2015, the Company issued 25,000,000 shares of common stock pursuant to the conversion of $250 of outstanding principal on the First Morrison Note. The $250 of principal on the note was sold and assigned to a third party prior to conversion. The note was converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

Note 8 – Changes in Stockholders' Equity (Deficit) (Continued)

Common Stock Issuances for Debt Conversions (2015) (Continued)
On April 13, 2015, the Company issued 25,000,000 shares of common stock pursuant to the conversion of $250 of outstanding principal on the First Morrison Note. The $250 of principal on the note was sold and assigned to a third party prior to conversion. The note was converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

On March 11, 2015, the Company issued 50,000,000 shares of common stock pursuant to the conversion of $500 of outstanding principal on the First Morrison Note. The $500 of principal on the note was sold and assigned to a third party prior to conversion. The note was converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

On March 10, 2015, the Company issued 50,000,000 shares of common stock pursuant to the conversion of $500 of outstanding principal on the First Morrison Note. The $500 of principal on the note was sold and assigned to a third party prior to conversion. The note was converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

Common Stock Issuances for Services (2016)
On March 3, 2016, the Company issued a total of 20 million shares of common stock among two service providers for services rendered. The aggregate fair value of the common stock was $12,000 based on the closing price of the Company's common stock on the date of grant.

On March 1, 2016, the Company issued 25 million shares of common stock to a service provider for services rendered. The fair value of the common stock was $12,500 based on the closing price of the Company's common stock on the date of grant.

On February 9, 2016, the Company issued a total of 6 million shares of common stock among two service providers for services rendered. The aggregate fair value of the common stock was $22,800 based on the closing price of the Company's common stock on the date of grant.

On February 8, 2016, the Company issued a total of 39 million shares of common stock among two service providers for services rendered. The aggregate fair value of the common stock was $195,000 based on the closing price of the Company's common stock on the date of grant.

Common Stock Issuances for Services (2015)
On November 23, 2015, the Company issued a total of 97 million shares of common stock to Top Shelf Brands Holdings for services provided. Alonzo Pierce, the Company's President and Chairman of the Board, is also affiliated with Top Shelf Brands Holdings. The total fair value of the common stock was $601,400 based on the closing price of the Company's common stock on the date of grant.

On November 23, 2015, the Company issued a total of 40 million shares of common stock among three service providers for services rendered. The aggregate fair value of the common stock was $248,000 based on the closing price of the Company's common stock on the date of grant.

Common Stock Cancellations (2016)
On July 12, 2016, the Company cancelled a total of 97 million shares of common stock previously issued to Top Shelf Brands Holdings on November 23, 2015. Alonzo Pierce, the Company's President and Chairman of the Board, is also affiliated with Top Shelf Brands Holdings.

On July 12, 2016, the Company cancelled 1,500,000 shares of common stock issued to a service provider in a prior year.

On February 17, 2016, the Company issued 70 million shares of common stock in error. The shares were subsequently returned and cancelled on April 6, 2017.

Note 8 – Changes in Stockholders' Equity (Deficit) (Continued)

Common Stock Cancellations (2015)
On January 26, 2015, Marco G. Chavez cancelled a total of 280,850,000 shares of common stock and returned them to treasury in exchange in exchange for a $265,000 convertible promissory note, bearing interest at 3% per annum, which matures on January 31, 2016. Alonzo Pierce, the Company's President and Chairman of the Board, is also a holder of the promissory note.

Subscriptions Payable
On March 23, 2016, the Company received $7,500 from an accredited investor for the sale of 7,500,000 shares of the Company's common stock. The shares have not yet been issued. A total of 123,582,353 shares, including this transaction, have not yet been issued on prior commitments.

Note 9 – Income Taxes

The Company accounts for income taxes under FASB ASC 740-10, which requires use of the liability method. FASB ASC 740-10-25 provides that deferred tax assets and liabilities are recorded based on the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, referred to as temporary differences.

For the years ended December 31, 2016, and 2015, the Company incurred a net operating loss and, accordingly, no provision for income taxes has been recorded. In addition, no benefit for income taxes has been recorded due to the uncertainty of the realization of any tax assets. At December 31, 2016, and 2015, the Company had approximately $1,485,000 and $912,000 of federal net operating losses, respectively. The historical federal net operating loss was lost upon the subsequent merger and dissolution of FIMA, Inc. The net operating loss carry forwards, if not utilized, will begin to expire in 2034.

The components of the Company's deferred tax asset are as follows:

	December 31, 2016	December 31, 2015
Deferred tax assets:		
Net operating loss carry forwards	$ 519,000	$ 319,200
Net deferred tax assets before valuation allowance	$ 519,000	$ 319,200
Less: Valuation allowance	(519,000)	(319,200)
Net deferred tax assets	$ -	$ -

Based on the available objective evidence, including the Company's history of losses, management believes it is more likely than not that the net deferred tax assets will not be fully realizable. Accordingly, the Company provided for a full valuation allowance against its net deferred tax assets at December 31, 2016 and 2015, respectively.

A reconciliation between the amounts of income tax benefit determined by applying the applicable U.S. and state statutory income tax rate to pre-tax loss is as follows:

	December 31, 2016	December 31, 2015
Federal and state statutory rate	35%	35%
Change in valuation allowance on deferred tax assets	(35%)	(35%)

In accordance with FASB ASC 740, the Company has evaluated its tax positions and determined there are no uncertain tax positions.

Note 10 – Subsequent Events

Convertible Debts
On various dates from January 1, 2017 through February 28, 2017, the Company received aggregate proceeds of $92,000 in exchange for convertible notes. The notes were convertible at various discounts to market and mature over various dates one year from origination.

Amendment to Convertible Debt
On March 23, 2017, the Company and a note holder, Plus Odds, Inc. agreed to amend the $265,000 convertible note that originated on January 26, 2015 and matured on January 31, 2016. The amendment extended the maturity date to January 15, 2018, increased the interest rate to 8%, payable quarterly, and revised the conversion terms to enable the holder to convert up to $25,000 at a time at a conversion rate equal to 50% of the lowest closing traded price over the preceding 15 days from the conversion notice.

Common Stock Issuances for Debt Conversions
During the three months ended March 31, 2017, the Company issued a total of 947,853,533 shares of common stock pursuant to the conversion of an aggregate $86,947 of principal and $2,838 of interest on debt conversions. The notes were converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

Common Stock Cancellations
On February 23, 2017, the Company cancelled a total of 50 million shares of common stock previously issued for non-performance of services.

On February 10, 2017, the Company cancelled 50 million shares of common stock previously issued for non-performance of services.