

# LIG ASSETS, INC

## COMPANY INFORMATION AND DISCLOSURE STATEMENT QUARTERLY UPDATE

### Item I: Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

LIG Assets, Inc. was incorporated in the State Nevada on October 14, 2008

### Item II: Address of the issuer's principal executive offices

#### Company Headquarters

Address 1: 1700 Pacific Avenue

Address 2: Suite 1850

Address 3: Dallas, TX, 75201

Phone: 214-760-1000

Email: info@ligassetsinc.net

Website(s): www.ligassetsinc.net

#### IR Contact

Address 1: 1700 Pacific Avenue

Address 2: Suite 1850

Address 3: Dallas TX, 75201

Phone: 214-760-1000

Email: info@ligassetsinc.net

Website(s): www.ligassetsinc.net

### Item III: Security Information

Trading Symbol: LIGA

Exact title and class of securities outstanding: COMMON STOCK

CUSIP: 50187X107

Par or Stated Value: .0001

Total shares authorized: 625,000,000

as of: November 13, 2014

Total shares outstanding: 402,609,423

as of: November 13, 2014

Preferred share information (if necessary):

Exact title and class of securities outstanding: Series A Convertible Preferred Stock

CUSIP: N/A

Par or Stated Value: .001

Total shares authorized: 50,000,000

as of: November 13, 2014

Total shares outstanding: 50,000,000

as of: November 13, 2014

#### Transfer Agent

Name: Securities Transfer Corp.

Address 1: 2591 Dallas Parkway

Address 2: Suite 102

Address 3: Frisco, Texas 75034

Phone: 469-633-0101

Is the Transfer Agent registered under the Exchange Act?\*

Yes: ☒

No: ☐

\*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any restrictions on the transfer of security:

None, except as required by law

Describe any trading suspension orders issued by the SEC in the past 12 months.

None

Within the past year please list any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization:

On August 20, 2014, the Company merged with CP Resources, LLC and West Coast Partners, LLC when it entered into a Share Exchange Agreement (the "Agreement") with Black Pearl Petroleum (BPP) wherein BPP was issued 36,000,000 outstanding shares of the Company's Series A Preferred Stock and 4,000,000 shares of Jeffrey B. Love's Series A Preferred, which he caused to be transferred to BPP, for and in exchange the Company received 20,000,000 shares (all of the shares) of common stock of CP Resources, LLC (a Nevada Corp) and 20,000,000 shares (all of the shares) of common stock of West Coast Partners, LLC (a Nevada Corp) both of which were BPP Companies. After the exchange, control of the Company resides with BPP which owns 40,000,000 shares of Series A Preferred (80%) while Jeffrey B. Love owns 10,000,000 shares of Series A Preferred (20%).

The exchange was based on Mr. Love meeting certain criteria in regard to the financing of operations. If these criteria are not met BPP has the option of unwinding the merger.

#### **Item IV: Issuance History**

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

Between January 1, 2014 and September 30, 2014

Restricted Common shares issued for share exchange  
Legend

85,331,999  
Rule 144

Total outstanding shares as of September 30, 2014 299,398,174

A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);  
N/A

B. Any jurisdictions where the offering was registered or qualified;

N/A

C. The number of shares offered;

N/A

D. The number of shares sold;

N/A

E. The price at which the shares were offered, and the amount actually paid to the issuer;

N/A

F. The trading status of the shares; and

N/A

G. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

All shares were issued under the 144 legend

With respect to private offerings of securities, the list shall also indicate the identity of the persons who purchased securities in such private offering; *provided, however*, that in the event that any such person is an entity, the list shall also indicate (a) the identity of each natural person beneficially owning, directly or indirectly, more than ten percent (10%) of any class of equity securities of such entity and (b) to the extent not otherwise disclosed, the identity of each natural person who controlled or directed, directly or indirectly, the purchase of such securities for such entity.

N/A

## **Item V Financial Statements**

Provide the financial statements described below for the most recent fiscal year end or quarter end to maintain qualification for the OTC Pink Current Information tier. For the initial disclosure statement (qualifying for Current Information for the first time) please provide reports for the two previous fiscal years and any interim periods.

- A. Balance sheet;
- B. Statement of income;
- C. Statement of cash flows;
- D. Financial notes; and
- E. Audit letter, if audited

The financial statements requested pursuant to this item shall be prepared in accordance with US GAAP by persons with sufficient financial skills.

You may either (i) attach/append the financial statements to this disclosure statement or (ii) post such financial statements through the OTC Disclosure & News Service as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").



See attached Balance Sheet, Statement of Operations, Statement of Cash Flow, Equity Statement, and Notes to the Financial Statements for the nine months ending September 30, 2014, attached to the end of this Quarterly Update.

If you choose to publish the financial reports separately as described in part (ii) above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to otcq.com in the field below.

N/A

Information contained in a Financial Report is considered current until the due date for the subsequent Financial Report. To remain in the OTC Pink Current Information tier, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of its fiscal quarter-end date.

#### **Item VI: Describe the Issuer's Business, Products and Services**

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

A. a description of the issuer's business operations;

The Company acquires, rehabilitates and resells or rents homes for profit throughout Texas. The Company has homes that it owns and manages directly, homes that it owns that are managed by a third party, and homes that it owns the mortgages on. The properties managed by a third party company, which is performing very well in terms of occupancy and delinquency rates, are controlled to a great degree by the third party management company.

On August 20, 2014, the Company entered into a Share Exchange Agreement (the "Agreement") with Black Pearl Petroleum (BPP) wherein BPP was issued 36,000,000 outstanding shares of the Company's Series A Preferred Stock and 4,000,000 shares of Jeffrey B. Love's Series A Preferred, which he caused to be transferred to BPP, for and in exchange the Company received 20,000,000 shares (all of the shares) of common stock of CP Resources, LLC (a Nevada Corp) and 20,000,000 shares (all of the shares) of common stock of West Coast Partners, LLC (a Nevada Corp) both of which were BPP Companies. After the exchange BPP owns 40,000,000 shares of Series A Preferred (80%) and Jeffrey B. Love owns 10,000,000 shares of Series A Preferred (20%).

CP Resources, LLC:

CP Resources, LLC owns the option on oil and gas leases in west Texas. The Company plans on selling some of this lease property and developing part of the lease as well. The Company has additional lease and option agreements pending that will be completed when funding is in place as well. The Company has many contacts in the industry and is in very good position to capitalize on these contacts based on obtaining the necessary funding.

Oil and gas are stable commodities with a steady and growing demand. With the new ability to tap into large shale oil reserves in the United States, oil reserves have increased dramatically in the last several years. This has allowed many new companies and individuals the opportunity to become involved in this industry through investment in direct participation programs or working interest programs. The cash flow potential and unique tax benefits associated with oil and gas investments provide opportunities for many and the CP Resources LLC team is part of this process.

West Coast Partners, LLC

West Coast Partners, LLC owns 36,000 acres of oil leases in Nevada and is in the process of completing an agreement with a partner to complete two drilling programs on the site. Nevada is one of the new booming areas in the oil industry and West Coast Partners, LLC are one of the first Companies in position to capitalize on this new field.

B. Date and State (or Jurisdiction) of Incorporation:

LIG Assets, Inc. (the "Company") was incorporated in the State of Nevada on October 14, 2008.

C. the issuer's primary and secondary SIC Codes;

6411, 1381, 1382

D. the issuer's fiscal year end date;

December 31

E. principal products or services, and their markets;

Real Estate management and investment, Drilling Oil and Gas Wells, Oil and Gas Exploration Services

#### **Item VII: Describe the Issuer's Facilities**

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

The Company rents office space at:

1700 Pacific Avenue

Suite 1850

Dallas, Texas 75201

#### **Item VIII: Officers, Directors, and Control Persons**

The goal of this section is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant shareholders.

A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.



|           |                           |
|-----------|---------------------------|
| Director  | Dennis Hopkins (Chairman) |
| Director  | Anthony Feezel            |
| Director  | Shannon Cravey            |
| Director  | Jeffrey B. Love           |
| President | Dennis Hopkins            |
| COO       | Jeffrey B. Love           |
| Secretary | Kenneth C. Wiedrich       |

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five years, been the subject of:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

N/A

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

N/A

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended, or vacated; or

N/A

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred, suspended or otherwise limited such person's involvement in any type of business or securities activities.

N/A

C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

Black Pearl Petroleum was issued 40,000,000 shares of Series A Preferred stock on August 20, 2014.

Controlling owner: Shannon Cravey  
4925 Lagoon Street  
Eustace, TX 75214

Jeffrey B. Love owns 10,000,000 shares of Series A Preferred stock.

## Item IX: Third Party Providers

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel

Name: NA

Firm: NA

Address 1: NA

Address 2: NA

Phone: NA

Email: NA

Accountant or Auditor

Name: Kenneth C. Wiedrich

Firm: Rich Plains Consulting, LLC

Address 1: 31579 Mendocino Court

Address 2: Temecula, CA 92592

Phone: 951-760-6747

Email: kennethwiedrich@gmail.com

Investor Relations Consultant

Name: Andrew Beyer

Firm: Advance PR Group

Address 1: N/A

Address 2: N/A

Phone: 619-202-7456

Email: abeyer@geminifc.com

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

Name: N/A

Firm: N/A

Address 1: N/A

Address 2: N/A

Phone: N/A

Email: N/A

**Item XX: Issuer Certification**

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, Dennis Hopkins, certify that:

1. I have reviewed this Quarterly Information and Disclosure Statement of PetroTech Oil and Gas, Inc.
2. Based on my knowledge, this Information and Disclosure Statement 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 Information and Disclosure Statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, 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 Information and Disclosure Statement.

Dated: November 14, 2014

/s/ Dennis Hopkins

Dennis Hopkins, President



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**LIG ASSETS, INC.**  
**UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2014**

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## **Index to Unaudited Financial Statements**

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**LIG Assets, Inc**  
**Consolidated Balance Sheet**

| <u><b>ASSETS</b></u>   | <b>(Unaudited)<br/>September 30<br/>2014</b> | <b>(Unaudited)<br/>December 31,<br/>2013</b> |
|--|--|--|
| <b>Current Assets</b>  |  |  |
| Cash   | \$ -   | \$ 33,245                                    |
| Total Current Assets   | -  | 33,245                                       |
| <b>Fixed Assets</b>  |  |  |
| Equipment net of depreciation  | 11,534                                       | 28,534                                       |
| Total Fixed Assets   | 11,534                                       | 28,534                                       |
| <b>Other Assets</b>  |  |  |
| Notes receivable   | 30,000                                       | 40,000                                       |
| Investments- Real estate   | 15,059,249                                   | 20,471,465                                   |
| Investment- LIG entertainment  | 135,000                                      | 122,500                                      |
| Investment- Operating leases   | 160,000                                      | -  |
| Total Other Assets   | 15,384,249                                   | 20,633,965                                   |
| <b>Total Assets</b>  | <b>\$ 15,395,783</b>                         | <b>\$ 20,695,744</b>                         |
| <br><b><u>LIABILITIES AND STOCKHOLDERS' DEFICIT</u></b>  |  |  |
| <b>Current Liabilities</b>   |  |  |
| Bank overdraft   | \$ 1,498                                     | \$ -   |
| Accrued expense  | 460,948                                      | 74,133                                       |
| Taxes payable  | 137,405                                      | 142,070                                      |
| Notes payable - Clear Pointe   | 1,300  | -  |
| Notes payable - TCA  | 800,000                                      | 738,000                                      |
| Total Current Liabilities  | 1,401,151                                    | 954,203                                      |
| <b>Long-term liabilities</b>   |  |  |
| Real Estate Note - FP Management   | 15,059,249                                   | 14,280,000                                   |
| Convertible notes payable  | 90,000                                       | 90,000                                       |
| Total long-term liabilities  | 15,149,249                                   | 14,370,000                                   |
| <b>Total Liabilities</b>   | 16,550,400                                   | 15,324,203                                   |
| <b>Stockholders' Deficit</b>   |  |  |
| Treasury stock ( 8,489,401 shares)   | 98,569                                       | 98,569                                       |
| Preferred Stock, authorized 50,000,000 shares, series A, \$0.0001 par value, 50,000,000 issued and outstanding as of September 30, 2014 and 14,000,000 issued and outstanding as of December 31, 2013 respectively | 5,000  | 1,400  |
| Common Stock, authorized 625,000,000 shares, \$0.0001 par value, 299,398,174 issued and outstanding as of September 30, 2014 and 214,066,175 shares issued and outstanding as of December 31, 2013, respectively   | 29,940                                       | 21,407                                       |
| Additional Paid in Capital   | 1,095,912                                    | 869,669                                      |



|  |                             |                             |
|--|-----------------------------|-----------------------------|
| Accumulated Comprehensive Loss                     | (5,412,216)                 |                             |
| Accumulated Deficit                                | <u>3,028,178</u>            | <u>4,380,496</u>            |
| Total Stockholders' Deficit                        | <u>(1,154,617)</u>          | <u>5,371,541</u>            |
| <b>Total Liabilities and Stockholders' Deficit</b> | <b>\$ <u>15,395,783</u></b> | <b>\$ <u>20,695,744</u></b> |

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

**LIG Assets, Inc**  
**Consolidated Statements of Operations**

|  | <b>For the Three<br/>Months Ended<br/>September 30, 2014</b> | <b>For the Nine<br/>Months Ended<br/>September 30, 2014</b> |
|--|--|---|
| <b>Income</b>  |  |   |
| Total Revenue  | \$ 693,546   | \$ 2,090,018  |
| Cost of Revenue  | -  | -   |
| <b>Gross Profit</b>                                      | <u>693,546</u>   | <u>2,090,018</u>  |
| <b>Operating Expenses</b>                                |  |   |
| Management fees  | 156,998  | 248,255   |
| Property repairs and expense                             | 30,155   | 319,159   |
| General and admin expense                                | 1,897,626  | 1,786,035   |
| <b>Total Operating Expenses</b>                          | <u>2,084,779</u>   | <u>2,353,449</u>  |
| <b>Net Operating Loss</b>                                | <u>(1,391,233)</u>   | <u>(263,431)</u>  |
| <b>Other Income (Expense)</b>                            |  |   |
| Derivative expense                                       | -  | -   |
| Interest expense   | (344,877)  | (1,088,887)   |
| <b>Total Income (Expenses)</b>                           | <u>(344,877)</u>   | <u>(1,088,887)</u>  |
| <b>Loss before Taxes</b>                                 | <u>(1,736,110)</u>   | <u>(1,352,318)</u>  |
| Tax provisions   | -  | -   |
| <b>Net Loss</b>  | <u>\$ (1,736,110)</u>  | <u>\$ (1,352,318)</u>                                       |
| <b>Other Comprehensive Income</b>                        |  |   |
| Gain (Loss) on   |  |   |
| Change in accounting practice                            | (5,412,216)  | (5,412,216)   |
| <b>Total Loss</b>  | <u>(7,148,326)</u>   | <u>(6,764,534)</u>  |
| <b>Earnings (loss) per share; Basic<br/>and diluted</b>  | <u>\$ (0.006)</u>  | <u>\$ (0.005)</u>   |
| <b>Weighted average number of<br/>shares outstanding</b> | <u>275,000,000</u>   | <u>250,000,000</u>  |

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

LIG Assets, Inc.

Consolidated Statements of Cash Flows

(Unaudited)

For the Nine  
Months Ended  
September 30, 2014

|  |                  |
|--|------------------|
| <b>Cash Flows from Operating Activities:</b>                         |                  |
| Net Loss   | \$ (1,352,318)   |
| Comprehensive Income loss  | (5,412,216)      |
| Adjustments to Reconcile Net Loss to Net Cash<br>Used by Operations: |                  |
| Stock issued for services  | -                |
| Stock issued for debt refinancing                                    | -                |
| Change in accounting practices                                       | 5,412,216        |
| Derivative expense   | -                |
| Depreciation expense   | 2,000            |
| Changes in Operating Assets and Liabilities:                         |                  |
| Increase in Inventory  | -                |
| Decrease in assets-truck   | 15,000           |
| Increase in accounts payable   | 58,635           |
| Increase in Mortgage payable   | 779,249          |
| Increase in accrued expenses   | 386,815          |
| <b>Net Cash Used by Operating Activities</b>                         | <b>(110,619)</b> |
| <b>Cash Flows from Investing Activities:</b>                         |                  |
| Investment in movies   | (12,500)         |
| Purchase of fixed assets   | -                |
| <b>Net Cash Provided by Investing Activities</b>                     | <b>(12,500)</b>  |
| <b>Cash Flows from Financing Activities:</b>                         |                  |
| Cash overdraft   | 1,498            |
| Proceeds from sale of stock  | 78,376           |
| Proceeds from Convertible notes                                      | -                |
| Proceeds from note receivable  | 10,000           |
| <b>Net Cash Provided by Financing Activities</b>                     | <b>89,874</b>    |
| Net Increase (Decrease) in Cash                                      | (33,245)         |
| Cash at Beginning of Period  | 33,245           |
| <b>Cash at End of Period</b>   | <b>\$ -</b>      |

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



**LIG ASSETS, INC. AND SUBSIDIARIES**  
**NOTES TO UNAUDITED FINANCIAL STATEMENTS**  
**FOR THE QUARTER ENDED SEPTEMBER 30, 2014 AND DECEMBER 31, 2013**

**NOTE—1 ORGANIZATION AND BUSINESS BACKGROUND**

LIG Assets, Inc. ("Company") was incorporated in the State of Nevada on October 14, 2008.

The Company acquires, rehabilitates and resells or rents homes for profit throughout Texas. The Company has homes that it owns and manages directly, homes that it owns that are managed by a third party, and homes that it owns the mortgages on. The properties managed by a third party company, which is performing very well in terms of occupancy and delinquency rates, are controlled to a great degree by the third party management company.

On August 20, 2014, the Company entered into a Share Exchange Agreement (the "Agreement") with Black Pearl Petroleum (BPP) wherein BPP received 36,000,000 outstanding shares of the Company's Series A Preferred Stock and 4,000,000 shares of Jeffrey B. Love's Series A Preferred, which he caused to be transferred to BPP. In exchange the Company received 20,000,000 shares (all of the shares) of common stock of CP Resources, LLC (a Nevada Corp) and 20,000,000 shares (all of the shares) of common stock of West Coast Partners, LLC (a Nevada Corp) both of which were BPP Companies. After the exchange BPP owns 40,000,000 shares of Series A Preferred (80%) and Jeffrey B. Love owns 10,000,000 shares of Series A Preferred (20%).

**NOTE 2 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of presentation**

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in The United States of America and the rules and regulations of the Securities and Exchange Commission for interim financial information. Accordingly, they do not include all the information necessary for a comprehensive presentation of financial position and results of operations.

It is management's opinion, however, that all material adjustments (consisting of normal and recurring adjustments) have been made which are necessary for a fair financial statements presentation. The results for the interim period are not necessarily indicative of the results to be expected for the year.

**Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and 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. Accordingly, actual results could differ from those estimates.

**Cash equivalents**

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. At September 30, 2014 and December 31, 2013, the Company had no cash equivalents.

### **Fair value of financial instruments**

The Company adopted the provisions of FASB ASC 820 (the "Fair Value Topic") which defines fair value, establishes a framework for measuring fair value under GAAP, and expands disclosures about fair value measurements.

The Fair Value Topic defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. It also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

A) Market approach—Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources;

B) Cost approach—Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and

C) Income approach—Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques, and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Level 1: Quoted market prices available in active markets for identical assets or liabilities as of the reporting date. An active market for an asset or liability is a market in which transactions for the asset or liability occur with significant frequency and volume to provide pricing information on an ongoing basis.

Level 2: Observable inputs other than Level 1 inputs. Example of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.

Level 3: Unobservable inputs based on the Company's assessment of the assumptions that are market participants would use in pricing the asset or liability.

The carrying amount of the Company's financial assets and liabilities, such as cash, prepaid expenses, accounts payable, accrued expenses, and deferred revenue approximate their fair value because of the short maturity of those instruments. The Company's note payable approximate the fair value of such instruments based upon management's best estimate of interest rates that would be available to the Company for similar financial arrangements at December 31, 2013 and December 31, 2012.

The Company had no assets and/or liabilities measured at fair value on a recurring basis at September 30, 2014 and December 31, 2013, using the market and income approaches.

### **Property and Equipment**

Property and equipment are recorded at cost. Expenditures for major additions and betterments are capitalized. Maintenance and repairs are charged to operations as incurred. Depreciation is computed by the straight-line method over the assets estimated useful life of three (3) years for equipment, (5) years for automobile, and (7) years for furniture and fixtures. Upon sale or retirement of property and equipment, the related cost and



accumulated depreciation are removed from the accounts and any gain or loss is reflected in statements of operations.

### **Impairment of long-lived assets**

The Company follows paragraph 360-10-05-4 of the FASB Accounting Standards Codification for its long-lived assets. The Company's long-lived assets, such as intellectual property, are required to be reviewed for impairment annually, or whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

The Company assesses the recoverability of its long-lived assets by comparing the projected undiscounted net cash flows associated with the related long-lived asset or group of long-lived assets over their remaining estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. Fair value is generally determined using the asset's expected future discounted cash flows or market value, if readily determinable. If long-lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long-lived assets are depreciated over the newly determined remaining estimated useful lives.

The Company determined that there were no impairments of long-lived assets as of September 30, 2014 and December 31, 2013.

### **Commitments and contingencies**

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

### **Revenue recognition**

The Company follows paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company will recognize revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured. In addition, the Company records allowances for accounts receivable that are estimated to not be collected.

### **Stock-Based Compensation**

In December 2004, the FASB issued FASB Accounting Standards Codification No. 718, *Compensation – Stock Compensation*. Under FASB Accounting Standards Codification No. 718, companies are required to measure the compensation costs of share-based compensation arrangements based on the grant-date fair value and recognize the costs in the financial statements over the period during which employees are required to provide services. Share-based compensation arrangements include stock options, restricted share plans, performance-based awards, share appreciation rights and employee share purchase plans. As such, compensation cost is measured on the date of grant at their fair value. Such compensation amounts, if any, are amortized over the respective vesting periods of the option grant. The Company applies this statement prospectively.

Equity instruments ("instruments") issued to other than employees are recorded on the basis of the fair value of the instruments, as required by FASB Accounting Standards Codification No. 718. FASB Accounting Standards Codification No. 505, *Equity Based Payments to Non-Employees* defines the measurement date and recognition period for such instruments. In general, the measurement date is when either a (a) performance commitment, as defined, is reached or (b) the earlier of (i) the non-employee performance is complete or (ii) the instruments are



vested. The measured value related to the instruments is recognized over a period based on the facts and circumstances of each particular grant as defined in the FASB Accounting Standards Codification.

### **Net income (loss) per share**

The Company computes basic and diluted earnings per share amounts pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic earnings per share is computed by dividing net income (loss) available to common shareholders, by the weighted average number of shares of common stock outstanding during the period, excluding the effects of any potentially dilutive securities. Diluted earnings per share is computed by dividing net income (loss) available to common shareholders by the diluted weighted average number of shares of common stock during the period. The diluted weighted average number of common shares outstanding is the basic weighted number of shares adjusted as of the first day of the year for any potentially diluted debt or equity.

There were 56,250,000 potentially dilutive shares outstanding as of September 30, 2014 which were from the outstanding convertible notes payable.

### **Subsequent events**

The Company follows the guidance in Section 855-10-50 of the FASB Accounting Standards Codification for the disclosure of subsequent events. The Company will evaluate subsequent events through the date when the financial statements were issued.

### **Recently issued accounting pronouncements**

Company management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying financial statements.

### **NOTE—3 GOING CONCERN**

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company's ability to continue as a going concern is contingent upon its ability to achieve and maintain profitable operations, and the Company's ability to raise additional capital as required.

These conditions raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of liabilities that might result from this uncertainty.

### **NOTE—4 ACQUISITION OF CP RESOURCES, LLC AND WEST COAST PARTNERS, LLC**

On August 20, 2014, the Company entered into a Share Exchange Agreement (the "Agreement") with Black Pearl Petroleum (BPP) wherein BPP was issued 36,000,000 outstanding shares of the Company's Series A Preferred Stock and 4,000,000 shares of Jeffrey B. Love's Series A Preferred, which he caused to be transferred to BPP, for and in exchange the Company received 20,000,000 shares (all of the shares) of common stock of CP Resources, LLC (a Nevada Corp) and 20,000,000 shares (all of the shares) of common stock of West Coast Partners, LLC (a Nevada Corp) both of which were BPP Companies. After the exchange BPP owns 40,000,000 shares of Series A Preferred (80%) and Jeffrey B. Love owns 10,000,000 shares of Series A Preferred (20%).

### **NOTE 5 - PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following:

|                                | September 30, 2014 | December 31, 2013 |
|--------------------------------|--------------------|-------------------|
| Equipment - computers          | \$ 16,719          | \$ 16,719         |
| Office furniture               | 10,349             | 10,349            |
|                                | 27,068             | 27,068            |
| Less: accumulated depreciation | (15,534)           | (13,534)          |
|                                | <u>\$ 11,534</u>   | <u>\$ 13,534</u>  |

#### **NOTE 6 – NOTES RECEIVABLE**

As of September 30, 2014, \$30,000 remained to be collected on the SAMP note. Payments on this note are scheduled to be completed in late 2014 and early 2015.

#### **NOTE 7 – REAL ESTATE INVESTMENT**

As of the quarter ended September 30, 2014, the Company lowered the value of its real estate holdings to \$15,059,249 based on a change in accounting practices. The current values reflect the cost of the investment. The Company had previously carried the investment at market value. As of December 31, 2013, the Company had valued the investment at \$20,471,465.

#### **NOTE 8 - LIG ENTERTAINMENT**

As of the quarter ended September 30, 2014, the Company has advanced a filming company \$135,000 for half ownership in two movies that were produced in the Austin, Texas area. The movies are complete but still have some final editing to be completed before they are released. Release date for the movies is not known at this time. Proceeds from the sale of the films when received will be used to retire debt.

#### **NOTE 9 - INVESTMENTS IN OPERATING LEASES**

As of the quarter ended September 30, 2014, the company has an investment in operating oil and gas leases of \$160,000. Based on the share exchange agreement with Black Pearl Petroleum the Company acquired CP Resources, LLC and West Coast Partners, LLC. Both companies carried the investment in leased oil and gas properties at cost and this amount of \$160,000 is reflected on the consolidated statement.

#### **NOTE 10 - ACCRUED EXPENSE**

As of the quarter ended September 30, 2014, the Company has \$460,948 in accrued expenses. Part of this expense is to cover estimated interest on old notes as well as contingent liability items.

#### **NOTE 11 - TAXES PAYABLE**

As of the quarter ended September 30, 2014, the Company has recorded a tax liability of \$137,405 due on IRS back taxes. Amended returns are about to be filed that the Company believes will eliminate this liability.

#### **NOTE 12 - NOTES PAYABLE TCA**

The Company has a loan with a balance of \$800,000 with TCA. The proceeds from the loan were used for the purpose of funding the movie, and paying company expenses. Repayment will be made with future property sales and when and if the movie sells. The loan is currently in default for non-payment. TCA has several courses of action, which it could take in remediation, including conversion to common stock and/or other legal action.



### NOTE 13 – REAL ESTATE NOTE

As of the quarter ended September 30, 2014 the Company owed \$15,059,249 on all of its properties. The majority of real estate assets are under a contract for deed and not direct title. The direct owner, who is the property manager, holds any positive or negative cash flow which may or may not accrue to the benefit of the Company when and if the Company obtains direct title. This amount is not included in Cash and the Company does not have access to the cash. The Company has equitable ownership of the mortgages/properties via a Contract for Deed further secured by a Note, and has equitable title to the mortgages/properties, though the property manager has the right to foreclose on the assets under certain circumstances. As a result, unless the company is able to refinance or renegotiate the present mortgage agreement there is a risk of losing all of the real estate investments.

Mortgages and Properties are sold throughout the year as required. These statements are updated to reflect the loan balances. The interest rate paid to fund the ownership of the real estate assets in the financials is high, as is typical of residential investment properties. The Company is evaluating alternatives to refinance those assets at lower rates. The Company has not yet been able to refinance and may or may not be able to implement a refinancing. When and if financing is obtained, the company would take direct title and have access to the cash flow if any.

### NOTE – 14 CONVERTIBLE NOTES PAYABLE

On January 25, 2013, the Company executed a convertible note payable in the amount of \$40,000 to Almagarby International, LLC., to fund its operations. To date the Company has not converted any of this debt to the Company's stock. The unpaid principle balance as of September 30, 2014, is \$40,000 with accrued interest of approx \$8,800. .

On December 31, 2012, the Company executed a convertible note payable in the amount of \$50,000 to WHC, Inc., to fund its operations. To date the Company has not converted any of this debt to the Company's stock. The unpaid principle balance as of September 30, 2014, is \$50,000 with accrued interest and penalties of approx \$15,000. .

The following table summarizes our convertible notes payable balance:

|                         |               |
|-------------------------|---------------|
| Almagarby International | \$40,000      |
| WHC, Inc                | <u>50,000</u> |
| Total                   | \$90,000      |

### NOTE – 15 STOCKHOLDERS' EQUITY

The Company is authorized to issue 625,000,000 shares of common stock, 50,000,000 shares of Series A Preferred Stock all with a par value of \$.0001. The holders of Series A Preferred Stock have the right to convert 1 share of preferred into 1 share of the Company's common stock. The holders of Series A Preferred are also entitled to 20 votes for each share of preferred stock that is held.

On August 20, 2014, the Company issued 36,000,000 shares of preferred stock to Black Pearl Petroleum in connection with the share exchange agreement where the Company acquired all of the shares of CP Resources, LLC and West Coast Partners, LLC.

From January 1, 2013 to December 31, 2013, the Company issued 114,155,072 shares of restricted common stock in settlement of Company debt.

From January 1, 2014 to September 30, 2014 the Company issued 85,331,999 Shares of restricted common stock in settlement of \$125,000 of convertible notes and interest payable.



#### **NOTE – 16     SUBSEQUENT EVENTS**

Management has evaluated subsequent events pursuant to the requirements of ASC Topic 855 and has determined that other than listed below, no material subsequent events exist through the date of this filing.

1. Subsequent to the quarter ending September 30, 2014, the Company issued \$77,000 of debentures.
2. Subsequent to the quarter ended September 30, 2014, the Company has issued 103,211,249 shares of common stock for conversion of Company debt