

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

CONDENSED FINANCIAL STATEMENTS
(UNAUDITED)
For the Three and Six Months Ended June 30, 2016 and 2015

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

	June 30, 2016	December 31, 2015
ASSETS		
Current assets:		
Cash	\$ 57,968	\$ 2,354
Accounts receivable	98,920	70,800
Inventory	145,562	145,562
Prepaid expenses	-	203,103
Total current assets	302,450	421,819
Property and equipment, net	7,135	8,050
Total assets	<u>\$ 309,585</u>	<u>\$ 429,869</u>
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	\$ 45,904	\$ 42,188
Accrued expenses	122,214	73,762
Deferred revenues	129,060	-
Convertible notes payable, net of discounts of \$76,646 and \$294,513 at June 30, 2016 and December 31, 2015, respectively	880,590	570,223
Total current liabilities	1,177,768	686,173
Stockholders' equity (deficit):		
Preferred stock, \$0.00001 par value, 50,000,000 shares authorized, 1,000,000 shares issued and outstanding at June 30, 2016 and December 31, 2015	10	10
Common stock, \$0.00001 par value, 2,950,000,000 shares authorized, 1,925,109,947 and 616,872,597 shares issued and outstanding at June 30, 2016 and December 31, 2015, respectively	19,251	6,169
Additional paid in capital	3,826,812	3,406,589
Subscriptions payable, consisting of 123,582,353 and 1,116,082,353 shares at June 30, 2016 and December 31, 2015, respectively	1,011,467	1,003,967
Accumulated deficit	(5,725,723)	(4,673,039)
Total stockholders' equity (deficit)	(868,183)	(256,304)
Total liabilities and stockholders' equity (deficit)	<u>\$ 309,585</u>	<u>\$ 429,869</u>

See accompanying notes to financial statements.

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

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2016	2015	2016	2015
Revenue	\$ 6,840	\$ -	\$ 6,840	\$ -
Cost of goods sold	4,746	-	4,746	-
Gross profit	2,094	-	2,094	-
Operating expenses:				
General and administrative	39,037	27,622	250,322	62,808
Compensation	47,859	-	73,142	-
Professional fees	14,075	75,150	274,075	90,555
Depreciation	458	184	915	184
Total operating expenses	101,429	102,956	598,454	153,547
Net operating loss	(99,335)	(102,956)	(596,360)	(153,547)
Other income (expense):				
Interest income	-	43	-	43
Interest expense	(154,046)	(2,402)	(456,324)	(3,061)
Total other income (expenses)	(154,046)	(2,359)	(456,324)	(3,018)
Net loss	\$ (253,381)	\$ (105,315)	\$ (1,052,684)	\$ (156,565)
Weighted average number of common shares outstanding - basic and fully diluted	1,596,862,653	390,608,097	1,204,983,010	390,067,213
Net loss per share - basic and fully diluted	\$ (0.00)	\$ (0.00)	\$ (0.00)	\$ (0.00)

See accompanying notes to financial statements.

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

	For the Six Months Ended June 30,	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (1,052,684)	\$ (156,565)
Accumulated deficit acquired in merger	-	(7,086)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	915	184
Amortization of debt discounts	217,867	-
Assumed convertible debt	154,000	-
Stock based compensation	242,300	10
(Decrease) increase in assets:		
Accounts receivable	(28,120)	-
Prepaid expenses	203,103	-
Increase (decrease) in liabilities:		
Accounts payable	3,716	(441)
Accrued expenses	84,457	5,751
Deferred revenues	129,060	-
Net cash used in operating activities	<u>(45,386)</u>	<u>(158,147)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	-	(6,149)
Net cash used in investing activities	<u>-</u>	<u>(6,149)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable, related parties	-	302,332
Repayments on convertible notes payable	-	(274,455)
Proceeds from convertible notes payable	93,500	-
Proceeds from the sale of common stock and subscriptions payable	7,500	961,967
Net cash provided by financing activities	<u>101,000</u>	<u>989,844</u>
NET CHANGE IN CASH	55,614	825,548
CASH AT BEGINNING OF PERIOD	<u>2,354</u>	<u>-</u>
CASH AT END OF PERIOD	<u><u>\$ 57,968</u></u>	<u><u>\$ 825,548</u></u>
SUPPLEMENTAL INFORMATION:		
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Value of shares issued for conversion of debt	<u><u>\$ 191,005</u></u>	<u><u>\$ 1,000</u></u>

See accompanying notes to financial statements.

International Spirit & Beverage Group, Inc.
(Formerly FIMA, Inc.)
Notes to Condensed Financial Statements
(Unaudited)

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. It is suggested that these statements be read in conjunction with the financial statements included in the Company’s Annual Report for the year ended December 31, 2015. It is suggested that these statements be read in conjunction with the financial statements included in the Company’s Annual Report for the year ended December 31, 2015.

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. It is suggested that these statements be read in conjunction with the financial statements included in the Company’s Annual Report for the year ended December 31, 2014.

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.

International Spirit & Beverage Group, Inc.
(Formerly FIMA, Inc.)
Notes to Condensed Financial Statements
(Unaudited)

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

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.

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 \$10 for the six months ended June 30, 2016 and 2015, respectively.

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 \$192,564 and \$60,829 for the six months ended June 30, 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.

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

Recent Accounting Pronouncements

In August, 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* (a consensus of the Emerging Issues Task Force). This ASU is effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. 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. An entity that elects early adoption must adopt all of the amendments in the same period. The Company is evaluating the impact of this ASU on the Company’s financial statements.

In June, 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. For public business entities that are U.S. Securities and Exchange Commission (SEC) filers, the amendments in this Update are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. For all other public business entities, the amendments in this Update are effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. For all other entities, including not-for-profit entities and employee benefit plans within the scope of Topics 960 through 965 on plan accounting, the amendments in this Update are effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. All entities may adopt the amendments in this Update earlier as of the fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company is evaluating the impact of this ASU on the Company’s financial statements.

In March 2016, the FASB issued ASU No. 2016-09, *Improvements to Employee Share-Based Payment Accounting (Topic 718)* (“ASU 2016-09”). The provisions of the update amend ASC Topic 718, Compensation – Stock Compensation, and includes provisions intended to simplify various aspects related to how share-based payments are accounted for and presented in the financial statements, including accounting for the income tax consequences, estimates of forfeitures and classification of excess tax benefits on the statement of cash flows. For public business entities, this update is effective for fiscal years beginning after December 15, 2016, including interim periods. The Company is evaluating the impact of this ASU on the Company’s financial statements.

In March, 2016, the FASB issued ASU No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*. The amendments in this Update affect the guidance in Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which is not yet effective. The effective date and transition requirements for the amendments in this Update are the same as the effective date and transition requirements of Update 2014-09. Accounting Standards Update No. 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*, defers the effective date of Update 2014-09 by one year. The Company is evaluating the impact of this ASU on the Company’s financial statements.

In March, 2016, the FASB issued ASU No. 2016-07, *Investments—Equity Method and Joint Ventures (Topic 323): Simplifying the Transition to the Equity Method of Accounting*. This ASU is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. The amendments should be applied prospectively upon their effective date to increases in the level of ownership interest or degree of influence that result in the adoption of the equity method. Earlier application is permitted. The Company is evaluating the impact of this ASU on the Company’s financial statements.

In March, 2016, the FASB issued ASU No. 2016-04, *Liabilities—Extinguishments of Liabilities (Subtopic 405-20): Recognition of Breakage for Certain Prepaid Stored-Value Products* (a consensus of the Emerging Issues Task Force). This ASU is effective for public business entities, certain not-for-profit entities, and certain employee benefit plans for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. For all other entities, effective for financial statements issued for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Earlier application is permitted, including adoption in an interim period. The Company is evaluating the impact of this ASU on the Company’s financial statements.

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Recent Accounting Pronouncements (Continued)

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* (“ASU 2016-02”), which is intended to improve financial reporting about leasing transactions. ASU 2016-02 requires a lessee to record on the balance sheet the assets and liabilities for the rights and obligations created by lease terms of more than 12 months. This standard will be effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company is evaluating the impact of this ASU on the Company’s financial statements.

There are no other recently issued accounting pronouncements that the Company has yet to adopt that are expected to have a material effect on its financial position, results of operations, or cash flows.

Note 2 – Going Concern

As shown in the accompanying financial statements, the Company has insufficient cash on hand, a working capital deficit of \$875,318 and incurred net losses from operations resulting in an accumulated deficit of \$5,725,723, and used \$45,386 of cash from operations during the six months ending June 30, 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 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.

International Spirit & Beverage Group, Inc.
(Formerly FIMA, Inc.)
Notes to Condensed Financial Statements
(Unaudited)

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).

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 June 30, 2016 and December 31, 2015, respectively:

	Fair Value Measurements at June 30, 2016		
	Level 1	Level 2	Level 3
Assets			
Cash	\$ 57,968	\$ -	\$ -
Total assets	57,968	-	-
Liabilities			
Convertible note payable, net of discounts	-	880,590	-
Total liabilities	-	880,590	-
	\$ 57,968	\$ (880,590)	\$ -
	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	-	570,223	-
Total liabilities	-	570,223	-
	\$ 2,354	\$ (570,223)	\$ -

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 six months ended June 30, 2016 or the year ended December 31, 2015.

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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 \$129,060 as of June 30, 2016.

Note 7 – Convertible Notes Payable

Convertible notes payable consist of the following at June 30, 2016 and December 31, 2015, respectively:

	June 30, 2016	December 31, 2015
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 than \$0.0001 per share.	20,000	-
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	3,000	-

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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.

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. (“Second 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. (“First 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 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.

1,000 -

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

- -

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(Unaudited)

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).

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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.

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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. The note is currently in default.

5,000 -

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 14, 2015, we entered into a Convertible Debenture with an individual investor (“First Odom Note”). The Note bears interest at 8%, with a maturity date of December 14, 2017, is convertible at 50% of the lowest traded price over the ten (10) trading days preceding the conversion notice.

17,500 17,500

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

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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 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.	30,000	30,000
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

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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 a 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. The note is currently in default.	80,000	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 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.	-	12,000
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. The note is currently in default.	15,000	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

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On January 26, 2015, we entered into an Amended and Restated Convertible Debenture with Marco Garduno Chavez and Alonzo Pierce, the Company's President and Chairman of the Board, to amend and restate the convertible debenture issued to Plus Odds, Inc. ("First Chavez-Pierce 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. The note is currently in default.

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	957,236	864,736
Less unamortized debt discounts:		
Discount on beneficial conversion feature	76,646	294,513
Convertible notes payable	880,590	570,223
Less: current portion	880,590	570,223
Convertible notes payable, less current portion	<u>\$ -</u>	<u>\$ -</u>

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 six months ended June 30, 2016 and 2015, respectively, as follows:

	June 30, 2016	June 30, 2015
Interest on related party loans	\$ -	\$ 659
Interest on convertible notes	84,457	2,402
Finance costs, assumed convertible debt	154,000	-
Amortization of beneficial conversion features of debts	217,867	-
Total interest expense	<u>\$ 456,324</u>	<u>\$ 3,061</u>

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Note 7 – Changes in Stockholders' Equity (Deficit)

Preferred Stock, Series E

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. No preferred shares were issued during the year ended December 31, 2014.

Common Stock

Pursuant to an amendment to the Company's Articles of Incorporation on July 15, 2016, the Company has 2,950,000,000 authorized shares of \$0.00001 par value Common Stock.

Common Stock Issuances for Debt Conversions

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 Services

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 Cancellations

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.

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.

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Note 8 – 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 six months ended June 30, 2016, and the year ended December 31, 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 June 30, 2016, and December 31, 2015, the Company had approximately \$1,350,500 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:

	June 30, 2016	December 31, 2015
Deferred tax assets:		
Net operating loss carry forwards	\$ 472,675	\$ 319,200
Net deferred tax assets before valuation allowance	\$ 472,675	\$ 319,200
Less: Valuation allowance	(472,675)	(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 June 30, 2016 and December 31, 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:

	June 30, 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 9 – Subsequent Events

Common Stock Issuances for Debt Conversions

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.

Common Stock Cancellations

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.

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Note 9 – Subsequent Events (Continued)

We entered into the following convertible notes payable subsequent to the end of the period:

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
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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
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On July 14, 2016, we entered into a Convertible Debenture with Rockwell Capital Partners (“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.	\$ 50,000
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