



AV1 GROUP, INC.

**QUARTERLY REPORT AMENDED
ISSUER INFORMATION AND DISCLOSURE PURSUANT
TO
RULE 15c2-11**

SECURITIES EXCHANGE ACT OF 1934

AV1 GROUP, INC.

DATED: SEPTEMBER 30, 2017

CUSIP NUMBER 00241Q309

ALL INFORMATION FURNISHED HEREIN HAS BEEN PREPARED FROM THE BOOKS AND RECORDS OF AV1 GROUP, INC. ("COMPANY" or "ISSUER") IN ACCORDANCE WITH RULE 15c2-11 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

NO DEALER, SALESMAN OR ANY OTHER PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS NOT CONTAINED HEREIN IN CONNECTION WITH THE COMPANY. ANY REPRESENTATIONS NOT CONTAINED HEREIN MUST NOT BE RELIED UPON AS HAVING BEEN MADE OR AUTHORIZED BY THE COMPANY.

DELIVERY OF THIS INFORMATION DOES NOT IMPLY THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE OF THIS ISSUER INFORMATION AND DISCLOSURE STATEMENT.

INFORMATION AND DISCLOSURE STATEMENT
Quarterly Disclosure Statement for the period ended September 30, 2017

All information in this Information and Disclosure Statement has been compiled to fulfill the disclosure requirements of Rule 15c2-11 promulgated under the Securities Exchange Act of 1934, as amended. The enumerated items and captions contained herein correspond to the format as set forth in that rule.

1. Name of Issuer and its Predecessors (if any):

AV1 Group, Inc.

2. Address of the Issuer's Principal Executive Offices:

COMPANY HEADQUARTERS

7660-H Fay Avenue,
Suite 312 La Jolla, CA 92037
info@av1group.com
www.av1group.com

IR CONTACT

7660-H Fay Avenue,
Suite 312 La Jolla, CA 92037
info@av1group.com
www.av1group.com

3. Security Information:

Trading Symbol:	AVOP
Exact Title and Class of Securities Outstanding:	Common
CUSIP:	00241Q309
Par or Stated Value:	\$.00001
Total Shares Authorized:	120,000,000 as of September 30, 2017
Total Shares Outstanding:	55,803,117 as of September 30, 2017

Additional Class of Securities (if necessary):

Trading Symbol:	N/A
Exact Title and Class of Securities Outstanding:	Preferred
CUSIP:	N/A
Par or Stated Value:	\$.0001
Total Shares Authorized:	5,000,000 as of September 30, 2017
Total Shares Outstanding:	100,000 as of September 30, 2017

Name and address of transfer agent

Pacific Stock Transfer
4045 South Spencer Street,
Suite 403 Las Vegas, NV 89119

Is the Transfer Agent registered under the Exchange Act? Yes: No:

List any restrictions on the transfer of security: None

Describe any trading suspension orders issued by the SEC in the past 12 months: None

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization either currently anticipated or that occurred within the past 12 months:

On June 1, 2017, the Company acquired a 49% interest in Intelligent Lighting Corp. (“ILC”), a privately-held technology firm based in California. Launched in 2013, ILC manufactures and sells patented energy-saving lighting products and services. This acquisition was made in a combination of cash and 1,500,000 shares of the Company’s common stock. The Company is in the process of issuing these shares.

On February 14, 2017, the Company acquired 100% of the issued and outstanding common stock in X-Fire, Inc., a privately-held Michigan corporation, in an all-stock transaction. Launched in 2011, X-Fire Smart Systems: provider of LED lighting, Smart Grid Technology, Wireless Controlled Systems, Smart Parking Meters, Charging Stations, Utility Meters, and Picocell Technology. This acquisition was made by the issuance of 2,500,000 shares of the Company’s common stock. An additional 1,500,000 common shares will be issued upon the successful launch of X-Fire’s first “Smart City” project.

On May 17, 2017, the Company returned 50,000,000 common shares to treasury. This was the result of negotiations with the selling shareholders of Lost in Space, LLC, an acquisition the Company completed in April 2016.

On May 16, 2017, the Company returned 2,900,000 common shares to treasury. This was the result of negotiations with a shareholder for a transaction completed in 2016.

On July 15, 2016, the Company completed and paid a special distribution to shareholders of record as of June 30, 2016. All shareholders of record on that date received 2 additional shares of common stock for every 10 shares held. The new shares were distributed in certificate form and bear a restrictive legend under Rule 144 of the Securities Act of 1933.

4) Issuance History

The following events resulted in changes in total shares outstanding during past two fiscal years and through the period ended September 30, 2017. Unless otherwise specifically noted, all share issuances described below were issued pursuant to the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933 (the “Act”). The shares were not registered or qualified in any jurisdiction and contained a restrictive legend stating that they had not been registered under the Act.

Issuance of Stock through Period Ended September 30, 2017:

On May 9, 2017, we issued 2,500,000 shares of common stock for the acquisition of 100% of X-Fire, Inc. The shares are being re-issued to the selling shareholders of X-Fire, Inc. The shares were issued pursuant to the exemption from registration provided by Section 4(2) of the Securities Act of 1933.

On May 3, 2017, we issued 5,000,000 shares of common stock to shareholder Media Network Consultants, LLC for cancelling \$500 debt. The shares were issued pursuant to the exemption from registration provided by Section 4(2) of the Securities Act of 1933.

On September 8, 2016, we issued 957,506 shares of common stock to shareholder Six-Twenty Capital Management, LLC for cancelling \$71,813 debt. The shares were issued pursuant to the exemption from registration provided by Section 4(2) of the Securities Act of 1933.

On July 15, 2016, the Company completed and paid a special distribution to shareholders of record as of June 30, 2016. All shareholders of record on that date received 2 additional shares of common stock for every 10 shares held. The new shares were distributed in certificate form and bear a restrictive legend under Rule 144 of the Securities Act of 1933.

On June 29, 2016, we issued 10,000 shares to Kristine Lang and 10,000 shares to Skandar Rassas in exchange for the consulting fees. The shares were issued pursuant to the exemption from registration provided by Section 4(2) of the Securities Act of 1933.

On May 6, 2016, we issued 1,200,000 shares of common stock to shareholder Erika Peralta for cancelling \$12,000 debt. The shares were issued pursuant to the exemption from registration provided by Section 4(2) of the Securities Act of 1933.

On April 12, 2016, we issued 7,000,000 shares of common stock to shareholder Neoventive, LLC for cancelling \$700 debt. The shares were issued pursuant to the exemption from registration provided by Section 4(2) of the Securities Act of 1933.

On April 4, 2016, we issued 75,000,000 shares of common stock for the acquisition of 100% of Lost in Space, LLC. The shares are being re-issued to the selling members of Lost in Space, LLC. The shares were issued pursuant to the exemption from registration provided by Section 4(2) of the Securities Act of 1933.

5) 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

- A. Balance sheet;
- B. Statement of income;
- C. Statement of Stockholders' Equity (Deficit)
- D. Statement of cash flows;
- E. Financial statement notes;

FINANCIAL STATEMENTS AND FOOTNOTES ARE APPENDED TO THIS DOCUMENT

6) Describe the Issuer's Business, Products and Services:

A. description of the issuer's business operations;

AV1 Group, Inc. is a publicly traded investment and holding company established to identify, secure, and monetize emerging growth companies, technologies and ecommerce businesses positioned for exponential growth. The Company seeks to discover inspired entrepreneurs with revolutionary concepts which can make a substantial footprint in markets that the Company believes to have considerable growth potential. AV1 Group, Inc.'s comprehensive business model also includes a division which delivers internally created projects that are poised for revenue generation, and a platform enabling the Company to develop embryonic stage subsidiaries under one umbrella, bringing a spectrum of backgrounds to the table, thus providing a significant resource of experience, knowledge and expertise to every venture. AV1 Group, Inc. explores every opportunity to help each sector exceed their revenue goals while building close, active working relationships; preparing each respective division to be a robust competitor in their chosen markets. For more information, visit: <http://www.av1group.com/>

B. Date and State (or Jurisdiction) of Incorporation: April 23, 1998; Florida

C. the issuer's primary and secondary SIC Codes: 7380

D. the issuer's fiscal year end date: December 31

7) 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. If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The Company maintains office space in San Diego, California provided by the officers of the Company at no cost, which is adequate for its current needs.

8) 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.

Bryen Beglinger, President, Treasurer and Director
Lisa Landau, Vice President, Secretary and Director
Heather Atkins, Chief Information Officer

**The Company is in the process of issuing common shares to its officers and directors, as part of the 2017 Equity Compensation Plan*

Lost in Space, LLC – 40,000,000 common shares/70%

**The Company is in the process of re-issuing these shares to the selling shareholders of Lost in Space, LLC.*

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);

None

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;

None

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

None

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.

None

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.

None

9) Third Party Providers

Legal Counsel:

Securities Counsel

[Bauman & Associates Law Firm](#)

6440 Sky Pointe Dr.

Suite 140-149

Las Vegas, NV, 89131

United States

Accountant: Rick Toussaint

Name: Financials prepared by Management

Auditor:

Name: Haskell White, CPA

Irvine, CA

Investor Relations

Consultant:

Chesapeake Group

410-825-3930

info@chesapeakegp.com

10) Issuer Certification

I, Bryen Beglinger, certify that:

I have reviewed this annual disclosure statement of AV1 Group, Inc.;

Based on my knowledge, this 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 disclosure statement; and

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 disclosure statement.

November 27, 2017

/S/ Bryen Beglinger

Bryen Beglinger, President and CEO

Consolidated Financial Statements
AV1 GROUP, INC.
As of and for the Nine Months
Ended September 30, 2017

AV1 GROUP, INC
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AV1 GROUP, INC.
Consolidated Balance Sheet
As of September 30, 2017

ASSETS

Current assets	
Cash	\$ 13,588
	<hr/>
Total current assets	13,588
Investments & Acquisitions	325,000
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Total assets	\$ 338,588
	<hr/> <hr/>

LIABILITIES

Current liabilities	
Accounts payable	\$ 14,712
Convertible notes payable	200,995
Accrued interest and other liabilities	11,249
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Total liabilities	226,956
	<hr/>
Stockholders' equity (deficit)	
Common stock, 120,000,000 authorized; 55,803,117 issued and outstanding	558
Preferred stock, 5,000,000 authorized; 100,000 issued and outstanding	10
Paid-in capital	883,858
Accumulated deficit	(772,894)
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Total stockholders' equity (deficit)	111,632
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Total liabilities and stockholders' equity (deficit)	\$ 338,588
	<hr/> <hr/>

AV1 GROUP, INC.
Consolidated Statement of Operations
For the Nine Months Ended
September 30, 2017

Revenue	\$ 51,850
Cost of goods	<u>41,957</u>
Gross profit	9,863
Selling, general and administrative expense	<u>81,021</u>
Operating loss	(71,129)
Interest expense	<u>2,500</u>
Net loss	<u>\$ (73,629)</u>
Net loss per share, basic and diluted	<u><u>\$ (0.01)</u></u>

Consolidated Statement of Stockholders' Equity
For the Nine Months Ended
September 30, 2017

	Common Stock		Preferred Stock		Paid in Capital	Treasury Stock	Accumulated	Stockholders' Equity
	Shares	Amount	Shares	Amount		Receivable	Deficit	(Deficit)
Balances December 31, 2015	315,621	\$ 3	100,000	\$ 10	\$ 108,990	\$ -	\$ (161,961)	\$ (52,958)
Shares issued in Subsidiary	-	-	-	-	137,083	-	-	137,083
Special Stock Dividend	16,709,990	167	-	-	-	-	(167)	-
Debt Cancellation (620 Capital)	957,506	10	-	-	71,803	-	-	71,813
Debt Cancellation (Peralta)	1,200,000	12	-	-	11,988	-	-	12,000
Debt Cancellation (Neoventive)	7,000,000	70	-	-	630	-	-	700
Shares issued for consulting services	20,000	-	-	-	5,000	-	-	5,000
Shares issued for Lost In Space Acquisition	75,000,000	750	-	-	749,250	-	-	750,000
Less Shares returned	-	-	-	-	-	(500,000)	-	(500,000)
Net Loss	-	-	-	-	-	-	(532,884)	(532,884)
Balances December 31, 2016	<u>101,203,117</u>	<u>\$ 1,012</u>	<u>100,000</u>	<u>\$ 10</u>	<u>\$ 1,084,744</u>	<u>\$(500,000)</u>	<u>\$ (695,012)</u>	<u>\$ (109,246)</u>
Debt Cancellation (620 Capital)	5,000,000	50	-	-	500	-	-	500
Shares issued for X-Fire Acquisition	2,500,000	250	-	-	249,750	-	-	250,000
Share Cancellation Lost in Space	(50,000,000)	(500)	-	-	500,000	-	-	-
Shares Cancellation	(2,900,000)		(29)	-	-	500,000		
Net Loss							(73,629)	
Balances September 30, 2017	55,803,117	\$ 783	100,000	\$ 10	\$	\$ 0	\$(772,894)	\$111,632

AV1 GROUP, INC.
Consolidated Statement of Cash Flows
For the Nine Months September 30, 2017

Operating Activities:	
Net loss	\$ (73,629)
Adjustments to reconcile net loss to net cash used in operations:	
Stock issued for services	
Impairment of intangible assets	
Accounts payable	(14,712)
Accrued liabilities	(11,249)
Net cash used in operating activities	<u>(25,961)</u>
Financing Activities:	
Proceeds from convertible notes payable	<u>72,454</u>
Net cash provided by financing activities	<u> </u>
Net cash increase for the year	5,000
Cash at beginning of the year	<u>8,588</u>
Cash at end of period	<u>\$ 13,588</u>

AV1 GROUP, INC.
Notes to the Consolidated Unaudited Financial Statements
September 30, 2017

NOTE 1 – NATURE OF OPERATIONS AND BASIS OF PRESENTATION

AV1 Group, Inc. (“Company”) is an investment and holdings company. The Company was originally organized as a Florida corporation on April 23, 1998. Through its acquisition of Marijuana Incubator Group, Inc., a Wyoming corporation, on April 1, 2014, the Company is focused on identifying and acquiring investments in emerging growth companies in a number of sectors that include cannabis related technologies and ecommerce businesses. For more information visit: <http://www.av1group.com>.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company’s principal holdings include a 100% equity interest in Lost in Space, LLC, a Delaware limited liability company, a 100% equity interest in X-Fire, Inc., a Michigan corporation, a 49% equity interest in Intelligent Lighting Corp., a Nevada corporation, and a 99.4% equity interest in DENT Group, Inc., a Wyoming corporation. The Company reports the results of its operations on a consolidated basis.

The Company consolidates the financial results of the entities in which it has controlling financial interests, and as a consequence, the assets and liabilities of all such entities are presented on a consolidated basis in the Company’s financial statements. The portion of stockholders’ equity and net income not owned by the Company is immaterial and therefore is not presented separately.

In the opinion of management, the accompanying consolidated balance sheet, statements of operations, stockholders' deficit and cash flows include all adjustments, consisting only of normal recurring items, for their fair presentation in conformity with accounting principles generally accepted in the United States (“US GAAP”). These consolidated financial statements are presented in United States dollars.

Property

The Company does not own or rent any property. The principal executive offices are located in San Diego, California, which is provided to the Company by significant shareholders free of charge until such time that the Company is able to generate cash flow to pay from operations.

Use of Estimates

Preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and their reported amounts of sales and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Impairment of Assets

The Company reviews its acquisitions for potential impairment indicators whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. US GAAP related to the impairment or disposal of long-lived assets requires that if impairment indicators exist and the expected undiscounted cash flows generated by the asset are less than its carrying amount, an impairment provision should be recorded to write down the carrying amount of the asset to its fair value.

Revenue Recognition

The Company's revenue recognition policy is based on the revenue recognition criteria established under US GAAP. Revenue is recognized when the following conditions are met: (1) persuasive evidence of an arrangement (typically a signed contract or purchase order); (2) delivery has occurred; (3) the price is fixed and determinable; and (4) collectability is reasonable assured.

Stock Based Compensation

When applicable, the Company will account for stock-based payments to employees in accordance with US GAAP. Stock-based payments to employees include grants of stock, grants of stock options and issuance of warrants that are recognized in the consolidated statement of operations based on their fair values at the date of grant.

The Company accounts for stock-based payments to non-employees in accordance with US GAAP. Stock-based payments to non-employees include grants of stock, grants of stock options and issuances of warrants that are recognized in the consolidated statement of operations based on the value of the vested portion of the award over the requisite service period as measured at its then-current fair value as of each financial reporting date.

Accounting Pronouncements

The Company assesses any new accounting pronouncements to determine their applicability to the Company. Where it is determined that a new accounting pronouncement affects the Company's financial reporting, the Company undertakes a study to determine the consequence of the change to its financial statements and assures that there are proper controls in place to ascertain that the Company's financials properly reflect the change. Given the lack of operating activities, management has not devoted substantial effort into studying or identifying recent accounting pronouncements that may be applicable to the Company's future operations.

Income Taxes

The Company follows the liability method of accounting for 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 balances. Deferred tax assets and liabilities are measured using enacted or substantially enacted tax rates expected to apply to the taxable income in the years in which those differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred

tax assets will not be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment.

Net Loss per Share

Basic loss per share includes no dilution and is computed by dividing loss available to common stockholders by the weighted average number of common shares outstanding for the period. Dilutive loss per share reflects the potential dilution of securities that could share in the losses of the Company. Because the Company does not have any potentially dilutive securities, the accompanying presentation is only of basic loss per share.

NOTE 3 – GOING CONCERN

The Company's financial statements are prepared in accordance with generally accepted accounting principles applicable to a going concern. This contemplates the realization of assets and the liquidation of liabilities in the normal course of business. The net loss for the nine months ended September 30, 2017 was \$73,629 and the Company has very limited working capital. The Company does not have a source of revenue sufficient to cover its operation costs giving substantial doubt for it to continue as a going concern. The Company will be dependent upon the raising of additional capital through selling of common stock in order to implement its business plan, or merge with an operating company. Management is currently evaluating several investment opportunities which are at various stages of due diligence. Given the complex nature of such investigations and negotiations, management cannot predict when any future investments will be consummated. There can be no assurance that the Company will be successful in these efforts in order to continue as a going concern.

NOTE 4 – CAPITAL STOCK

The Company's authorized capital at September 30, 2017 is 120,000,000 common shares with a par value of \$0.00001 per share, of which there are 55,803,117 shares issued and outstanding, and 5,000,000 preferred shares with a par value of \$0.0001 per share, of which there are 100,000 shares issued and outstanding.

On June 1, 2017, the Company acquired a 49% interest in Intelligent Lighting Corp. ("ILC"), a privately-held technology firm based in California. Launched in 2013, ILC manufactures and sells patented energy-saving lighting products and services. This acquisition was made in a combination of cash and 1,500,000 shares of the Company's common stock. The Company is in the process of issuing these shares.

On May 9, 2017, we issued 2,500,000 shares of common stock for the acquisition of 100% of X-Fire, Inc. The shares are being re-issued to the selling shareholders of X-Fire, Inc. The shares were issued pursuant to the exemption from registration provided by Section 4(2) of the Securities Act of 1933.

On May 3, 2017, we issued 5,000,000 shares of common stock to shareholder Media Network Consultants, LLC for cancelling \$500 debt. The shares were issued pursuant to the exemption from registration provided by Section 4(2) of the Securities Act of 1933.

Return of Company Stock

During the six months ended June 30, 2017, the Company negotiated with the selling parties of the Lost in Space, LLC acquisition to return 50,000,000 shares of common stock from the originally issued 75,000,000 shares that were issued as the purchase price.

On May 16, 2017, the Company returned 2,900,000 common shares to treasury. This was the result of negotiations with a shareholder for a transaction completed in 2016.

As of June 30, 2017, the Company has not granted any stock options and has not recorded any stock-based compensation, and has no stock options outstanding as there were no prior issuances since 2014.

NOTE 5 – INCOME TAXES

Management did not provide any current U.S. federal income tax provision or benefit for the current or any prior periods because the Company has experienced operating losses since inception. Management has determined that the Company does not have any uncertain tax positions and associated unrecognized benefits that would impact the consolidated financial statements or related disclosures.

Deferred income tax assets and liabilities are computed annually for differences between financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

The net deferred tax assets and liabilities included in the financial statements consist of the following amounts at September 30, 2017:

Deferred Tax Assets:	
Net operating loss carryforwards	\$772,894
Total	772,894
Less valuation allowances	(772,894)

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, historical taxable income including available net operating loss carryforwards to offset taxable income, and projected future taxable income in making this assessment.

The Company has federal operating losses of approximately \$772,894 available at September 30, 2017 which, if not used, will begin to expire in 2028. Management believes that the Company has a similar amount of state operating losses available, however the expiration dates have not been determined as the Company has operated in more than one state. Past and future changes in the ownership of the Company may place limitations on the use of these net operating losses.

NOTE 6 – CONVERTIBLE NOTES PAYABLE

As of September 30, 2017, the Company had outstanding convertible notes totaling \$200,995 and accrued interest of \$13,264 with interest at 10% per annum to Six- Twenty Capital Management LLC in exchange for cash received. During the six months ended June 30, 2017, \$19,500 was received from the convertible note. These notes and notes previously issued in prior periods are convertible at the holder discretion at par value of the Company's common stock. Due to the illiquid trading price of AV1 Group, Inc., common stock, which is trading near or below par value, the Company acknowledges that Six-Twenty cannot realize the value of the notes based upon the current conversion price, and therefore, as consideration for Six- Twenty's forbearance in collection matters the Company has negotiated and amended the conversion prices. Six-Twenty, will not, at any time own, or convert into common stock an amount equal to or greater than 9.9% of the issued and outstanding common stock of AV1 Group, Inc., at the time of such conversion. The total notes payable obligation at September 30, 2017 is \$200,995 and accrued interest is \$13,264 (\$14,769 at June 30, 2015; \$15,945 at October 31, 2015; \$51,271 at June 30, 2016, \$13,320 at September 30, 2016, \$9,145 at December 31, 2016, \$4,775 at March 31, 2017, \$19,500 at June 30, 2017 and \$72,454 at September 30, 2017).

NOTE 7 – INTANGIBLE ASSETS

Intangible assets acquired in business combination are recognized based on the fair value of net assets acquired or the consideration provided. Indefinite lived intangible assets, representing trademarks and trade names, are not amortized unless their useful life is determined to be finite. Long-lived intangible assets are subject to amortization using the straight-line method. Indefinite lived intangible assets are tested for impairment annually as of December 31st of each year and more often if a triggering event occurs.

NOTE 8 –SUBSEQUENT EVENTS

The Company evaluates events that have occurred after the balance sheet date of S e p t e m b e r 30, 2017, through the date which the financial statements were available to be issued. Based upon the review the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the financial statements.