

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

Vapor Group, Inc.

A Florida Corporation

495 Carswell Avenue, Unit A
Daytona Beach, Florida 32117]

(386)868-2221

www.vpor.com

investor@vpor.com

SIC Code 3999

Annual Report
For the Period Ending: December 31, 2018
(the "Reporting Period")

As of December 31, 2018, the number of shares outstanding of our Common Stock was:

7,339,015,806

As of December 31, 2017, the number of shares outstanding of our Common Stock was:

5,002,963,021

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐

No: ☒

Indicate by check mark whether the company's shell status has changed since the previous reporting period:

Yes: ☐

No: ☒

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

¹ "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

Yes: ☐

No: ☒

1) 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.

Vapor Group, Inc. from April 29, 2014 to the present.

AvWorks Aviation Corp. from November 30, 2011 to April 29, 2014

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable)
Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

9/4/2013, Florida

Has the issuer or any of its predecessors ever been in bankruptcy, receivership, or any similar proceeding in the past five years?

Yes: ☐

No: ☒

2) Security Information

| | |
|--|------------------|
| Trading symbol: | <u>VPOR</u> |
| Exact title and class of securities outstanding: | <u>Common</u> |
| CUSIP: | <u>922101100</u> |
| Par or stated value: | <u>\$.0001</u> |

| | | |
|---|----------------------|-----------------------------|
| Total shares authorized: | <u>8,000,000,000</u> | as of date: <u>12/31/18</u> |
| Total shares outstanding: | <u>7,339,015,806</u> | as of date: <u>12/31/18</u> |
| Number of shares in the Public Float ² : | <u>7,246,483,763</u> | as of date: <u>12/31/18</u> |
| Total number of shareholders of record: | <u>75</u> | as of date: <u>12/31/18</u> |

Additional class of securities (if any):

| | | |
|--|-------------------|-----------------------------|
| Trading symbol: | <u>None</u> | |
| Exact title and class of securities outstanding: | <u>Preferred</u> | |
| CUSIP: | <u>None</u> | |
| Par or stated value: | <u>\$.001</u> | |
| Total shares authorized: | <u>15,000,000</u> | as of date: <u>12/31/18</u> |
| Total shares outstanding: | <u>1,699,750</u> | as of date: <u>12/31/18</u> |

Transfer Agent

Name: ClearTrust, LLC
Phone: (813) 235-4490
Email: Inbox@cleartrusttransfer.com

² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

Is the Transfer Agent registered under the Exchange Act?³ Yes: ☒ No: ☐

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors:

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:

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

| Number of Shares outstanding as of 1/1/2017 | Opening Balance: Common: 4,038,536,041 Preferred: 2,516,250 | | | | | | | | |
|---|---|--|---------------------|---|--|--|---|---|---------------------------------|
| Date of Transaction | Transaction type (e.g. new issuance, cancellation, shares returned to treasury) | Number of Shares Issued (or cancelled) | Class of Securities | Value of shares issued (\$/per share) at Issuance | Were the shares issued at a discount to market price at the time of issuance? (Yes/No) | Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed). | Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable) | Restricted or Unrestricted as of this filing? | Exemption or Registration Type? |
| 3/6/17 | New Issuance | 82,000,000 | Common | \$49,200 | Yes | Black Mountain Equities, LLC | Warrant Exercise | Unrestricted | Exemption |
| 3/20/17 | New Issuance | 71,500,000 | Common | 42,900 | Yes | Cardinal Capital | Debt Conversion | Unrestricted | Exemption |
| 3/22/17 | New Issuance | 30,926,980 | Common | 18,556 | Yes | Auctus Private Equity Fund | Debt Conversion | Unrestricted | Exemption |

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

| | | | | | | | | | |
|-----------|---------------------|----------------|--------------------|-----------|-----|-------------------------|---------------------------------|--------------|-----------|
| 4/6/17 | New Issuance | 53,571,429 | Common | 53,571 | Yes | Magna Equities II, LLC | Debt Conversion | Restricted | N/A |
| 4/19/17 | New Issuance | 370,000,000 | Common | 703,000 | Yes | S&E Capital, LLC | Debt Conversion | Unrestricted | Exemption |
| 4/24/17 | New Issuance | 480,825,000 | Common | 961,650 | Yes | D&D Capital, Inc. | Debt Conversion | Unrestricted | Exemption |
| 12/13/17 | New Issuance | 200,000,000 | Common | 340,000 | Yes | D&D Capital, Inc. | Debt Conversion | Unrestricted | Exemption |
| 12/27/17 | Cancellation | (270,825,000) | Common | 270,825 | N/A | Doron Svorai | Debt Conversion | N/A | N/A |
| 1/03/18 | New Issuance | 400,000,000 | Common | 840,000 | Yes | D&D Capital, Inc. | Debt Conversion | Unrestricted | Exemption |
| 1/15/18 | New Issuance | 350,000,000 | Common | 560,000 | Yes | D&D Capital, Inc. | Debt Conversion | Unrestricted | Exemption |
| 1/31/18 | Cancellation | (230,000,000) | Common | 253,000 | N/A | S&E Capital, LLC | N/A | Unrestricted | Exemption |
| 2/1/18 | New Issuance | 570,000,000 | Common | 627,000 | Yes | D&D Capital, Inc. | Debt Conversion | Unrestricted | Exemption |
| 2/15/18 | New Issuance | 59,829,060 | Common | 59,829 | Yes | Tonaquint, Inc. | Debt Conversion | Unrestricted | Exemption |
| 3/13/18 | New Issuance | 102,564,103 | Common | 317,948 | Yes | Tonaquint, Inc. | Debt Conversion | Unrestricted | Exemption |
| 4/2/18 | New Issuance | 107,692,308 | Common | 53,846 | Yes | Tonaquint, Inc. | Debt Conversion | Unrestricted | Exemption |
| 4/17/18 | New Issuance | 134,615,385 | Common | 67,308 | Yes | Tonaquint, Inc. | Debt Conversion | Unrestricted | Exemption |
| 5/18//18 | New Issuance | 698,946,944 | Common | 489,263 | Yes | D&D Capital, Inc. | Debt Conversion | Unrestricted | Exemption |
| 10/15//18 | New Issuance | 142,404,985 | Common | 113.924 | Yes | Tonaquint, Inc. | Debt Conversion | Unrestricted | Exemption |
| 10/18/18 | Exchange and Cancel | (816,500) | Series B Preferred | 817 | N/A | 4 Series B Shareholders | Exchanged for Subsidiary Shares | Restricted | N/A |
| 1/15/19* | New Issuance | 12,000,000,000 | Common | 4,800,000 | No | Six Private Investors | Debt Conversion | Restricted | N/A |
| 1/22/19 | New Issuance | 1,914,562,565 | Common | 765.825 | Yes | S&E Capital, LLC | Debt Conversion | Unrestricted | Exemption |

| | | | | | | | | | |
|-------------------------------|---|---------------|--------------------|-----------|-----|------------------------------|-----------------|--------------|-----------|
| 1/23/19 | New Issuance | 1,405,157,315 | Common | 421.547 | Yes | D&D Capital, Inc. | Debt Conversion | Unrestricted | Exemption |
| 1/28/19 | New Issuance | 2,243,000,000 | Common | 1,121.500 | Yes | M Svorai Investments, Inc. | Debt Conversion | Unrestricted | Exemption |
| 1/29/19 | New Issuance | 2,400,000,000 | Common | 1,200,000 | Yes | One Investment Capital, Inc. | Debt Conversion | Unrestricted | Exemption |
| 2/13/18 | New Issuance | 7,000,000 | Series B Preferred | 70,000 | No | Yaron Elkayam | Compensation | Restricted | N/A |
| Shares Issued as of 12/31/18: | <u>Ending Balances (12/31/18):</u> Common: <u>7,339,015,806</u> Preferred: <u>1,699,750</u> | | | | | | | | |

Use the space below to provide any additional details, including footnotes to the table above:

*Total authorized common shares were increased to 35,000,000,000 on 1/10/2019.

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe any issuance of promissory notes, convertible notes or convertible debentures **in the past two completed fiscal years and any subsequent interim period.**

Check this box if there are no outstanding promissory, convertible notes or debt arrangements: ☐

| Date of Note Issuance | Outstanding Balance (\$) | Principal Amount at Issuance (\$) | Interest Accrued (\$) | Maturity Date | Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares) | Name of Noteholder | Reason for Issuance (e.g. Loan, Services, etc.) |
|-----------------------|--------------------------|-----------------------------------|-----------------------|---------------|---|-----------------------------|---|
| 2/1/18 | 97,155 | 87,500 | 9,655 | Extended | 70% of the average of the three (3) lowest Closing Bid Prices in the twenty (20) Trading Days preceding the Conversion. | St. George Investments, LLC | Loan |

Use the space below to provide any additional details, including footnotes to the table above:

4) Financial Statements

A. The following financial statements were prepared in accordance with:

☒ U.S. GAAP

☐ IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

Name: Jorge Schcolnik
Title: Financial Consultant
Relationship to Issuer: Consultant

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

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

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

If you choose to publish the financial statements in a separate report as described 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 OTCIQ in the field below.

The Company's unaudited financial statements are posted to the OTC Disclosure & News Service as a separate report described as an "Annual Report", "Financial Statements" for the 12 months ended December 31, 2018, and are incorporated herein by reference

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations. In answering this item, please include the following:

- A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

The issuer is a holding company which generates its revenue through the activities of its principal wholly-owned subsidiary, VPOR, Inc., a bulk wholesaler of high quality, raw hemp-derived CBD in a range of forms that are sold to various manufacturers and distributors nationwide..

- B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of their business contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

The issuer is the owner of VPOR, Inc., its subsidiary that markets and sells its bulk CBD product line. The issuer also has one wholly owed susidiary, Simple Cork, Inc., www.simplecork.com, the developer of a new, multi-nationally patented combination wine bottle cork/opener being prepared for market entry.

The issuer is affiliated with White Label Liquid, Inc., Daytona Beach, Florida, a publicly traded company under the symbol, WLAB, which is a high quality CBD processor and private label CBD product manufacturer. The principal

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

officer and director and controlling shareholder of White Label Liquid, Inc. is Yaron Elkayam, who is also the sole director of the Issuer and its controlling shareholder.

C. Describe the issuers' principal products or services, and their markets

The issuer, through its subsidiary, VPOR, Inc., acts as a bulk wholesaler of high quality, raw hemp-derived CBD in a range of forms to various manufacturers and distributors nationally. The current CBD product line consists of full-spectrum CBD oil, crystalline CBD isolate, nano full-spectrum CBD oil and powder.

6) 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 issuer in March 2019 moved its headquarters and operations from Aventura and Hialeah, Florida to leased facilities in Daytona Beach, Florida, located at 495 Carswell Avenue, Unit A.

7) 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 or beneficial shareholders.

Using the tabular format below, please provide information regarding any person or entity owning 5% or more of the issuer, as well as any officer, and any director of the company, regardless of the number of shares they own. **If any listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information of an individual representing the corporation or entity in the note section.**

| Name of Officer/Director and Control Person | Affiliation with Company (e.g. Officer/Director/Owner of more than 5%) | Address (City / State Only) | Number of shares owned | Share type/class | Ownership Percentage of Class Outstanding | Note |
|---|--|---|------------------------|----------------------------|---|--------------------------|
| <u>Yaron Elkayam</u> | <u>Director, Owner of more than 5%</u> | <u>39 S. Perrott Drive, Ormond Beach, Florida 32174</u> | 1,000,000 | <u>Series A Preferred</u> | 100% | <u>Change of Control</u> |
| <u>Yaron Elkayam</u> | <u>Director, Owner of more than 5%</u> | <u>39 S. Perrott Drive, Ormond Beach, Florida 32174</u> | 7,699,750 | <u>Series B Preferred</u> | 100% | <u>Change of Control</u> |
| <u>Yaron Elkayam</u> | <u>Director, Owner of more than 5%</u> | <u>39 S. Perrott Drive, Ormond</u> | 2,000,000,000 | <u>Common (Restricted)</u> | 7.33%* | <u>Change of Control</u> |

| | | | | | | |
|---------------------|------------------|---|-----|-----|-----|-----|
| | | <u>Beach, Florida</u> <u>32174</u> | | | | |
| <u>David Zinger</u> | <u>President</u> | <u>495 Carswell</u> <u>Avenue, Unit A</u> <u>Daytona Beach,</u> <u>Florida 32117</u> | -0- | N/A | N/A | N/A |

*Based on 27,301,735,686 shares issued and outstanding as of the date of this report.

8) Legal/Disciplinary History

A. Please identify whether any of the persons listed above have, in the past 10 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

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Name: Jonathan Leinwand, Esq.
Address 1: 20900 NE 30th Ave., 8th Floor
Address 2: Aventura, Florida 33180

Phone: (954) 903-7856
Email: jonathan@jdlpa.com

Accountant or Auditor

Name: Jorge Schcolnik
Firm: Consultia LLC.
Address 1: 210 174th Street, Suite 1809
Address 2: Sunny Isles Beach, Florida 33160
Phone: 305-401-7366
Email: Jorge@Consultiausa.com

Investor Relations Consultant

None

Other Service Providers

Provide the name of any other service provider(s), including, counsel, advisor(s) or consultant(s) **that assisted, advised, prepared or provided information with respect to this disclosure statement**, or provided assistance or services to the issuer during the reporting period.

None

10) Issuer Certification

Principal Executive Officer:

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, David Zinger, certify that:

1. I have reviewed this annual disclosure statement of Vapor Group, Inc.;
2. 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
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 disclosure statement.

April 12, 2019

/s/David Zinger [CEO's Signature]

Principal Financial Officer:

I, David Zinger, certify that:

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

2. 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
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 disclosure statement.

April 12, 2019

/s/David Zinger [CFO's Signature]