

# **QUARTERLY REPORT**

**BRZL**  
**Scepter Holdings, Inc.**

**For the Quarter Ending December 31, 2019**

**THESE UNAUDITED FINANCIAL STATEMENTS ARE INCORPORATED BY REFERENCE INTO  
THE DISCLOSURE STATEMENT PURSUANT TO THE PINK BASIC DISCLOSURE GUIDELINES**

## CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report contains certain forward-looking statements. These forward-looking statements, which may be identified by words including “anticipates,” “believes,” “intends,” “estimates,” “expects,” “forecasts,” “plans,” “ projects”, and similar expressions include, but are not limited to, statements regarding (i) future plans, objectives, strategies, expenditures, results and objectives of future operations and research, (ii) proposed new products, services, developments or industry rankings; (iii) future revenue, economic conditions or performance; (iv) potential collaborative arrangements and (v) the need for and availability of additional financing.

The forward-looking statements included herein are based on current expectations that involve a number of risks and uncertainties. These forward-looking statements are based on assumptions regarding our business and technology, which involve judgments with respect to, among other things, future scientific, economic and competitive conditions, and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond our control. Accordingly, undue reliance should not be placed on forward looking statements as they only represent the Company’s views as of the date the statements were made. Although we believe that the assumptions underlying the forward-looking statements are reasonable, the Company cannot guarantee future results, levels of activity, performance or achievements and actual results may differ materially from those set forth in the forward-looking statements. In light of the significant uncertainties inherent in the forward-looking information included herein, the inclusion of such information should not be regarded as representation by us or any other person that our objectives or plans will be achieved. We do not intend to and specifically decline any obligation to update any forward-looking statements or to publicly announce the results of any revisions to any statements to reflect new information or future events or developments.



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**SCEPTER HOLDINGS, INC.**  
**BALANCE SHEETS**  
(Unaudited)

	December 31, 2019	September 30, 2019
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	\$ 3,857	\$ 4,655
Accounts Receivable <sup>5</sup>	\$ 993	\$ -
Inventory <sup>4</sup>	\$ 1,052,868	\$ 1,061,968
<b>Total Current Assets</b>	<b>\$ 1,057,718</b>	<b>\$ 1,066,623</b>
<b>Fixed Assets</b>		
Intellectual Property	\$ 2,100,051	\$ 2,100,051
<b>Total Fixed Assets</b>	<b>\$ 2,100,051</b>	<b>\$ 2,100,051</b>
<b>Other Assets</b>		
Security Deposits	\$ 50,000	\$ 50,000
<b>Total Other Assets</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>
<b>TOTAL ASSETS</b>	<b>\$ 3,207,769</b>	<b>\$ 3,216,674</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Total Accounts Payable	\$ 9,633	\$ 7,003
<b>Total Current Liabilities</b>	<b>\$ 9,633</b>	<b>\$ 7,003</b>
<b>Long-Term Liabilities</b>		
Total Notes Payable <sup>7</sup>	\$ 636,482	\$ 576,482
<b>Total Long-Term Liabilities</b>	<b>\$ 636,482</b>	<b>\$ 576,482</b>
<b>Total Liabilities</b>	<b>\$ 646,115</b>	<b>\$ 583,484</b>
<b>EQUITY</b>		
Common Stock	\$ 2,041,371	\$ 2,041,371
Paid-In Capital or Surplus	\$ 16,200	\$ 16,200
Preferred Stock	\$ 1,300,000	\$ 1,300,000
Retained Earnings <sup>3</sup>	\$ (724,381)	\$ (629,548)
Net Income	\$ (71,536)	\$ (94,833)
<b>Total Equity</b>	<b>\$ 2,561,654</b>	<b>\$ 2,633,190</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 3,207,769</b>	<b>\$ 3,216,674</b>

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

**SCEPTER HOLDINGS, INC.**  
**STATEMENTS OF OPERATIONS**  
(Unaudited)

	<b>For the Quarter Ended</b>	<b>For the Quarter Ended</b>
	<b><u>December 31, 2019</u></b>	<b><u>September 30, 2019</u></b>
<b>Income</b>		
<b>Sales of Product Income</b>	\$ 10,844	\$ 4,908
<b>Total Income</b>	<b>\$ 10,844</b>	<b>\$ 4,908</b>
<b>Cost of Goods Sold</b>	<b>\$ 9,126</b>	<b>\$ 3,702</b>
<b>Gross Margin</b>	<b>\$ 1,718</b>	<b>\$ 1,205</b>
 <b>Operating Expenses</b>		
<b>Advertising &amp; Marketing</b>	\$ 8,238	\$ 5,069
<b>Bad Debt Expense</b>		\$ 28,800
<b>Bank Charges &amp; Fees</b>	\$ 43	\$ 27
<b>Consulting Services</b>	\$ 60,000	\$ 60,300
<b>Legal &amp; Professional Fees</b>	\$ 2,350	\$ 1,250
<b>Office Supplies &amp; Software</b>	\$ 572	\$ 294
<b>Rent &amp; Lease</b>	\$ 522	\$ 192
<b>Royalty Fee</b>	\$ 1,530	\$ -
<b>Shipping, Freight &amp; Delivery</b>		\$ 107
<b>Total Expenses</b>	<b>\$ 73,254</b>	<b>\$ 96,038</b>
 <b>Net Operating Income</b>	<b>\$ (71,536)</b>	<b>\$ (94,833)</b>

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

**SCEPTER HOLDINGS, INC.**  
**STATEMENTS OF CASH FLOWS**  
**(Unaudited)**

	<b>For the Quarter Ended December 31, 2019</b>	<b>For the Quarter Ended September 30, 2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net Gain (Loss)	(71,536)	(94,833)
Non-cash Items:		
Inventory Asset	9,101	3,702
Accounts Receivable (A/R)	(993)	28,800
Accounts Payable (A/P)	2,630	0
<b>Net cash provided by operating activities</b>	<b>(60,798)</b>	<b>(62,331)</b>
<b>INVESTING ACTIVITIES</b>		
Intellectual Property	0	0
Security Deposits	0	0
<b>Net cash provided by investing activities</b>	<b>0</b>	<b>0</b>
<b>FINANCING ACTIVITIES</b>		
Notes Payable	(60,000)	(39,000)
Common Stock <sup>6</sup>	0	100,000
Preferred Stock	0	0
<b>Net cash provided by financing activities</b>	<b>60,000</b>	<b>61,000</b>
<b>Net cash increase for period</b>	<b>(798)</b>	<b>(1,331)</b>

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

**SCEPTER HOLDINGS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Quarter Ended December 31, 2019**

**Prepared by Management**

**Note 1. Nature of Operations and Business Activity**

**Business Activity**

Scepter Holdings, Inc. (the “Company”) was incorporated under the laws of the State of Nevada on January 11, 2007. The Company manages the sales and brand development of high-performance consumer packaged goods. The Company seeks to acquire performing brands to add to the Company’s portfolio of products and brands sold online and through strategic retail relationships. The company has expertise manufacturing, distributing, marketing, and selling online consumer packaged goods and seeks to leverage its expertise to grow additional acquired brands.

The Company has no parent entity and does not own any wholly-owned or majority-owned subsidiaries.

The Company manages the sales and brand development of high-performance consumer packaged goods. On or around the date of this filing the Company was actively selling Dermacia branded cosmetics and Gevitta branded spray supplements through their related websites and other online marketplaces. The Company is actively developing line extensions under the established brands, and actively working to add new brands to its product portfolio.

**Note 2. Summary of Significant Accounting Principals**

Basis of Presentation

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

Unaudited Interim Financial Information

The accompanying unaudited, financial statements of the Company have been prepared from corporation records. The statements have been prepared on an accrual basis and may not have been prepared in accordance with GAAP in some or more material respects. Some or certain information and note disclosures normally contained in quarterly financial statements prepared in accordance with GAAP may have been omitted although the Company believes that the disclosures made are consistent with the records of the Company. Accordingly, they do not include all the information necessary for a comprehensive presentation of financial position and results of operations. Users of the consolidated financial statements should take into account the risks associated with the foregoing in connection when reviewing our financial statements with the understanding that audited statements prepared in accordance with GAAP could result in material changes in treatment of intangible and other assets and liabilities as well as in revenue and loss recognition.

It is management's opinion, however, that all material adjustments (consisting of normal and recurring adjustments) have been made which are necessary for a fair financial statements presentation

### Use of Estimates and Assumptions

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates. Such estimates include management's assessments of the carrying value of certain assets, useful lives of assets, and related depreciation and amortization methods applied.

### Cash and Cash Equivalents

For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of six months or less are considered to be cash equivalents. The carrying value of these investments approximates fair value.

### Accounts Receivable

Accounts receivable related to the products and services sold are recorded at the time revenue is recognized, and are presented on the balance sheet net of allowance for doubtful accounts. The ultimate collection of the receivable may not be known for several months after services have been provided and billed.

The Company has established an allowance for doubtful accounts based upon factors pertaining to the credit risk of specific customers, analyses of current and historical cash collections, and the aging of receivables. Delinquent accounts are written-off when the likelihood for collection is remote and/or when the Company believes collection efforts have been fully exhausted and the Company does not intend to devote any additional efforts in an attempt to collect the receivable. The Company adjusts their allowance for doubtful accounts balance on a quarterly basis.

### Inventory

The Company's inventory consists of raw material valued under the FIFO method, stated and the lower of cost or market value.

### Property Plant, & Equipment

Property, plant, and equipment are recorded at cost. Major renewals and improvements are capitalized, while maintenance and repairs are expensed when incurred. Expenditures for major additions and betterments are capitalized in amounts greater or equal to \$500. Depreciation of equipment is computed by the straight-line method (after taking into account their respective estimated residual values) over the assets estimated useful life of three (3), five (5), or seven (7) years. Upon sale or retirement of equipment, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in statements of operations.

### Leasehold Improvements

Leasehold improvements are stated at cost less accumulated amortization. The Company records amortization using the straight-line method over the life of the lease. Maintenance and repair costs are expensed as they are incurred while renewals and improvements which extend the useful life of an asset are capitalized. At the time of retirement or disposal of property and equipment, the cost and related accumulated amortization are removed from the accounts and any resulting gain or loss is reflected in the results of operations.

### Income Taxes

The Company follows Section 740-10-30 of the FASB Accounting Standards Codification, which requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are based on

the differences between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the fiscal year in which the temporary differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the 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 enactment date.

The Company adopted section 740-10-25 of the FASB Accounting Standards Codification (“Section 740-10-25”) with regards to uncertainty in income taxes. Section 740-10-25 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under Section 740-10-25, the Company may recognize the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such a position should be measured based on the largest benefit that has a greater than fifty percent (50%) likelihood of being realized upon ultimate settlement. Section 740-10-25 also provides guidance on de-recognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. The Company had no material adjustments to its assets and/or liabilities for unrecognized income tax benefits according to the provisions of Section 740-10-25.

### Earnings (loss) Per Share

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

### Fair Value of Financial Instruments

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

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

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

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

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

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

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

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

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

The carrying amount of the Company's financial assets and liabilities, such as cash, prepaid expenses, accounts payable, accrued expenses, and deferred revenue approximate their fair value because of the short maturity of those instruments. The Company's notes payable approximate the fair value of such instruments based upon management's best estimate of interest rates that would be available to the Company for similar financial arrangements at September 30, 2017 and September 30, 2016.

#### Impairment of Intangible Assets

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

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

The Company determined that there were no impairments of long-lived assets as of September 30, 2019.

#### Commitments & Contingencies

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

#### Revenue Recognition

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

Revenues sales contracts are recognized over the length of the contract term based upon percentage of completion. The difference between the gross cash receipts collected and the recognized revenue from those sales during the respective reporting period will appear as deferred revenue.

### Subsequent Events

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

### Recent Accounting Pronouncements

In February 2016, the FASB issued ASU 2016-02, *Leases* (Topic 842) in order to increase transparency and comparability among organizations by, among other provisions, recognizing lease assets and lease liabilities on the balance sheet for those leases classified as operating leases under previous GAAP. For public companies, ASU 2016-02 is effective for fiscal years beginning after December 15, 2018 (including interim periods within those periods) using a modified retrospective approach and early adoption is permitted. In transition, entities may also elect a package of practical expedients that must be applied in its entirety to all leases commencing before the adoption date, unless the lease is modified, and permits entities to not reassess (a) the existence of a lease, (b) lease classification or (c) determination of initial direct costs, as of the adoption date, which effectively allows entities to carryforward accounting conclusions under previous U.S. GAAP. In July 2018, the FASB issued ASU 2018-11, *Leases* (Topic 842): Targeted Improvements, which provides entities an optional transition method to apply the guidance under Topic 842 as of the adoption date, rather than as of the earliest period presented. The Company adopted Topic 842 on January 1, 2019, using the optional transition method to apply the new guidance as of January 1, 2019, rather than as of the earliest period presented, and elected the package of practical expedients described above. The Company is still finalizing its analysis, but expects the adoption will not have a material impact on the Company's financial statements.

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

### **Note 3. Going Concern**

As reflected in the accompanying financial statements, the Company had retained earnings of negative \$724,381 at December 31, 2019 and had a net loss of \$71,536 for the quarter then ended.

While the Company is attempting to improve operations, and increase revenues, the Company's cash position may not be significant enough to support the Company's daily operations over the next year. Management intends to increase revenues and raise additional funds by way of a public or private offering. Management believes that the actions presently being taken to further implement its business plan and increase revenues provide the opportunity for the Company to continue as a going concern. While the Company believes in the viability of its strategy to generate revenues and in its ability to raise additional funds, there can be no assurances to that effect. The ability of the Company to continue as a going concern is dependent upon the Company's ability to further implement its business plan.

The financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

### **Note 4. Inventory and Cost of Goods Sold**

Inventory balances were \$1,052,868 for the quarter ended December 31, 2019. The slight reduction in inventory balance was the result of sales of inventory from the asset acquisitions from Gevitta, LLC and EcoScientific Labs, Inc. There is currently no reserve in inventory.

### **Note 5. Accounts Receivable**

Accounts Receivable balance was \$993 for the quarter ended December 31, 2019.

## **Note 6. Common Stock**

During the Quarter ended September 30, 2019 the Company issued 100,000,000 shares of common stock to Intermarket Associates at the direction of Sky Dweller Ventures, Inc. for the conversion of \$100,000 of debt.

During the year ending March 31, 2019 the Company issued 1,100,000,000 shares of common stock as payment for asset acquisitions and licensing agreements, at a cost of \$1,100,000. The Company also issued 320,395,000 shares of common stock for the conversion of \$320,395 of debt. The Company issued 500,000,000 shares of common in exchange for 500,000 shares of preferred stock.

During the year ending March 31, 2018, the Company issued 10,000,000 shares of common stock to Sky Dweller Ventures, Inc. for the conversion of \$10,000 of debt.

## **Note 7. Notes Payable**

Notes Payable balances were \$636,482 and \$576,482 for the quarter ended December 31, 2019 and quarter ended September 30, 2019, respectively. All notes have a term of one year, bear interest at 7% per annum and are convertible into the Company's preferred stock at par value except for the note with Vivakor which converts at a 50% discount to market. As of December 31, 2019, the Company had accrued \$23,597.22 in interest.

On January 14, 2019 the Company signed a note with Vivakor Inc., with an initial principal balance of \$10,000. The balance of said note and subsequent draws against the note had been incorrectly attributed to a note between the Company and OCIFG. The entries have been corrected and attributed to correct noteholders, the adjustment did not impact nor change the total reported Notes Payable balance.

On March 1, 2017 the Company entered into a settlement agreement with Sky Dweller Ventures, Inc. At the time of the agreement, Sky Dweller Ventures, Inc. had acquired approximately \$286,827.72 of the Company's outstanding liabilities. Pursuant to Section 3(a)(10) of the Securities Act of 1933 (the "Act"), the Company entered into the agreement with Sky Dweller Ventures, Inc. in order to satisfy the debt with common stock. As of March 31, 2018, the company had retired approximately \$10,000 of the debt through the issuance of stock per the terms of the agreement with Sky Dweller Ventures, Inc.