A1 GROUP, INC.

March 31, 2015

A1 GROUP, INC.		
CONDENSED CONSOLIDATED BALANCE SHEETS		
MARCH 31, 2015 AND DECEMBER 31, 2014		
	March 31, 2015	**December 31, 2014**
	(Unaudited)	(Audited)
ASSETS		
CURRENT ASSETS		
Cash	$ 16,265	$ 24,031
Inventory	-	14,184
Total Current Assets	16,265	38,215
Security deposits	4,193	4,193
TOTAL ASSETS	$ 20,458	$ 42,408
LIABILITIES AND STOCKHOLDERS' DEFICIT		
CURRENT LIABILITIES		
Accounts payable	$ 25,790	$ 3,890
Related party payables	27,201	35,571
Accrued interest	41,001	30,626
Convertible promissory notes, net of discount of $68,031 and $0, respectively	339,064	324,095
Warrant liability	30,000	-
Total Current Liabilities	463,056	394,182
TOTAL LIABILITIES	463,056	394,182
STOCKHOLDERS' DEFICIT		
Preferred stock: $0.001 par value; 5,000,000 shares authorized, no shares issued and outstanding	-	-
Common stock, $0.001 par value 750,000,000 shares authorized; issued and outstanding 34,313,640 and 34,168,260 at March 31, 2015 and December 31, 2014, respectively	34,314	34,168
Additional paid-in capital	81,930	32,076
Subscriptions receivable	110,850	110,850
Accumulated deficit	(669,692)	(528,868)
Total Stockholders' Deficit	(442,598)	(351,774)
TOTAL LIABILITIES AND STOCKHOLDERS' DEFICIT	$ 20,458	$ 42,408
(The accompanying notes are an integral part of these consolidated financial statements)		

A1 GROUP, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
REVENUE		
Revenue	$ 84,912	$ 65,163
Cost of Goods Sold	45,812	26,203
GROSS PROFIT	39,100	38,960
EXPENSES		
Office and general	84,707	46,160
Management fees	30,500	-
Marketing expenses	2,239	2,719
Professional fees	32,133	250
TOTAL EXPENSES	149,579	49,129
NET OPERATING LOSS	(110,479)	(10,169)
OTHER INCOME (EXPENSES)		
Interest expense	(10,376)	-
Accretion of debt discount	(14,969)	-
Change in fair value of warrant liability	(5,000)	-
TOTAL OTHER INCOME (EXPENSES)	(30,345)	-
NET INCOME (LOSS)	$ (140,824)	$ (10,169)
BASIC AND DILUTED LOSS PER COMMON SHARE	$ (0.00)	$ (0.00)
WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING - BASIC AND DILUTED	34,201,896	21,000,000

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

A1 GROUP, INC.
CONDENSED CONSOLIDATED STATEMENT OF STOCKHOLDERS' DEFICIT
FOR THE PERIOD FROM DECEMBER 31, 2013 TO MARCH 31, 2015

	Common Stock		Additional	Share Subscription	Accumulated	Total Stockholders'
	Shares	Amount	Paid-in Capital	Receivable	Deficit	Deficit
Balance, December 31, 2013	500	$ 500	$ (500)	$ -	$ 2,127	$ 2,127
Adjustment for Share Exchange Agreement dated August 14, 2014	33,843,760	33,344	500	60,850	(436,925)	(342,231)
Shares issued for cash on September 25, 2014 at $0.15 per share	-	-	-	22,800	-	22,800
Shares issued for cash on October 6, 2014 at $0.15 per share	-	-	-	27,200	-	27,200
Promissory notes converted on December 23, 2014 at $0.10 per share	324,000	324	32,076	-	-	32,400
Net loss for the year ended December 31, 2014	-	-	-	-	(94,070)	(94,070)
Balance, December 31, 2014	34,168,260	34,168	32,076	110,850	(528,868)	(351,774)
Shares issued during the period the period ended March 31, 2015	145,380	146	(146)	-	-	-
Discount on convertible promissory note due to beneficial conversion feature	-	-	50,000	-	-	50,000
Net loss for the period ended March 31, 2015	-	-	-	-	(140,824)	(140,824)
Balance, March 31, 2015 (Unaudited)	34,313,640	$ 34,314	$ 81,930	$ 110,850	$ (669,692)	$ (442,598)

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

A1 GROUP, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE THREE MONTHS ENDED MARCH 31, 2015 AND 2014

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	$ (140,824)	$ (10,169)
Adjustments to reconcile net loss to net cash used in operating activities		
Change in fair value of warrant liability	5,000	-
Accretion of debt discount	14,969	-
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	-	2,066
(Increase) decrease in inventory	14,184	(1,567)
Increase (decrease) in accounts payable	21,900	(1,560)
Increase (decrease) in related party payables	(8,370)	10,992
Increase (decrease) in interest payable	10,375	-
Net cash flows from operating activities	(82,766)	(238)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of convertible promissory notes	75,000	-
Net cash flows from financing activities	75,000	-
CHANGE IN CASH AND CASH EQUIVALENTS	(7,766)	(238)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	24,031	3,856
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 16,265	$ 3,618
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Interest paid in cash	$ -	$ -
Income Taxes paid in cash	$ -	$ -
NON CASH INVESTING AND FINANCING ACTIVITES		
Debt discount recorded for beneficial conversion feature	$ 50,000	$ -

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

NOTE 1 – BASIS OF PRESENTATION, ORGANIZATION AND GOING CONCERN

Basis of Presentation

The unaudited financial statements of A1 Group, Inc. (the "**Company**") as of March 31, 2015, and for the three months ended March 31, 2015 and 2014, have been prepared in accordance with generally accepted accounting principles ("**GAAP**") in the United States for interim financial reporting and include the Company's wholly-owned subsidiary, A1 Vapors, Inc. ("**A1 Vapors**"). Accordingly, they do not include all of the disclosures required by accounting principles generally accepted in the United States for complete financial statements and should be read in conjunction with the audited consolidated financial statements and notes thereto for the year ended December 31, 2014, as filed with the Securities and Exchange Commission as part of the Company's Form 10-K. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation of the interim financial information have been included. The Company did not record an income tax provision during the periods presented due to net taxable losses. The results of operations for any interim period are not necessarily indicative of the results of operations for the entire year.

Organization

The Company was incorporated on November 27, 2006 under the laws of the State of Nevada and extra-provincially registered under the laws of the Province of Ontario on February 2, 2007. On September 28, 2012, the Company with a majority of the shareholders and directors changed its name from Secured Window Blinds, Inc. to Freebutton, Inc. On June 23, 2014, a majority of the corporation's shareholders voted for the corporation to amend its Articles of Incorporation changing the name of the corporation to A1 Group, Inc. A1 Group, Inc. is now a product development and marketing company catering to the electronic vapor cigarette and accessories industry.

On August 14, 2014, A1 Group, Inc. (the "**Registrant**" and "**Legal Acquirer**") closed, a Share Exchange Agreement (the "**Merger**"), between and among the Company and A1 Vapors, Inc., a Florida Corporation ("**A1 Vapors**") ("**Accounting Acquirer**"), incorporated in the State of Florida, on April 26, 2012. Pursuant to the Merger, the Registrant issued A1 Vapors shareholders a total of 21,000,000 shares of common stock in exchange for 100% of the outstanding shares of A1 Vapors. Prior to the issuance of the 21,000,000 shares, the 21,000,000 shares were returned to treasury leaving the Registrant with 12,844,260 common shares outstanding prior to the Merger. The 21,000,000 common shares issued represented approximately 62.0% of the total issued and outstanding shares of common stock of the Registrant post-closing. As a result, the Company (i) became the 100% parent of A1 Vapors; (ii) assumed the operations of A1 Vapors; (iii) and (iv) experienced a change in control. The terms and conditions of the Merger gave rise to reverse merger accounting whereby A1 Vapors was deemed the acquirer for accounting purposes. Consequently, the assets and liabilities and the historical operations of A1 Vapors prior to the Merger are reflected in the financial statements and have been recorded at the historical cost basis of A1 Vapors. Our financial statements include the assets and liabilities of both the Company and A1 Vapors.

Going Concern

The Company's financial statements are prepared using accounting principles generally accepted in the United States of America and applicable to a going concern, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business.

During the three months ended March 31, 2015, the Company recognized net revenue of $84,912 and a net loss of $140,824 and had negative working capital of $446,791 as of March 31, 2015.

In view of these conditions, the ability of the Company to continue as a going concern is in doubt and dependent upon achieving a profitable level of operations and on the ability of the Company to obtain necessary financing to fund ongoing operations. Historically, the Company has relied upon internally generated funds and funds from the sale of shares of stock, issuance of promissory notes and loans from its shareholders and private investors to finance its operations and growth. Management is planning to raise necessary additional funds for working capital through loans and/or additional sales of its common stock. However, there is no assurance that the Company will be successful in raising additional capital or that such additional funds will be available on acceptable terms, if at all. Should the Company be unable to raise this amount of capital its operating plans will be limited to the amount of capital that it can access. These financial statements do not give effect to any adjustments which will be necessary should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts different from those reflected in the accompanying financial statements.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiary, A1 Vapors, Inc. All intercompany transactions and balances have been eliminated in consolidation. The results A1 Vapors are consolidated with the Company's results from and after its acquisition based on guidance from the Financial Accounting Standards Board ("**FASB**") Accounting Standards Codification ("**ASC**") No. 810, "Consolidation" ("**ASC 810**").

Accounting estimates

The preparation of financial statements in conformity with GAAP 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. Actual results could differ significantly from those estimates.

Cash and cash equivalents

The Company considers all highly liquid instruments purchased with an original maturity of three months or less and money market accounts to be cash equivalents.

Revenue Recognition

It is our policy that revenues are recognized in accordance with ASC 605-10. Under ASC 605-10, product revenues are recognized when persuasive evidence of an arrangement exists, delivery has occurred, the sales price is fixed and determinable and collectability is reasonably assured. Revenue is recognized at the point of sale for in person purchases and upon shipping for Internet sales.

Fair Value of Financial Instruments

We adopted ASC Topic 820 for financial instruments measured as fair value on a recurring basis. ASC Topic 820 defines fair value, established a framework for measuring fair value in accordance with accounting principles generally accepted in the United States and expands disclosures about fair value measurements.

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. ASC Topic 820 established a three-tier fair value hierarchy which prioritizes the inputs used in measuring fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1measurements) and the lowest priority to unobservable inputs (level 3 measurements). These tiers include:

> Level 1, defined as observable inputs such as quoted prices for identical instruments in active markets;
>
> Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
>
> Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

Fair Value of Financial Instruments

Disclosures about fair value of financial instruments, requires disclosure of the fair value information, whether or not recognized in the balance sheet, where it is practicable to estimate that value. The carrying value of cash and cash equivalents, accounts payable and interest payable approximate their fair value because of the short-term nature of these instruments and their liquidity. It is not practical to determine the fair value of the Company's notes payable due to the complex terms. Management is of the opinion that the Company is not exposed to significant interest or credit risks arising from these financial instruments. The fair value of warrants is estimated based on individual characteristics of the warrants. The warrant liability is the only Level 3 fair value measure.

At March 31, 2015, the estimated Level 3 fair values of the liabilities measured on a recurring basis are as follows:

		Fair Value Measurements at March 31, 2015		
	Carrying	**(Level 1)**	**(Level 2)**	**(Level 3)**
Assets	$ -	$ -	$ -	$ -
Total assets measured at fair value	$ -	$ -	$ -	$ -
Liabilities				
Derivative liability - warrants	30,000	-	-	30,000
Total liabilities measured at fair value	$ 30,000	$ -	$ -	$ 30,000

The following tables present the activity for Level 3 liabilities for the three months ended March 31, 2015:

Fair Value Measurements Using Level 3 Inputs

	Warrant Derivative Liability
Balance – December 31, 2014	$ -
Additions during the period	25,000
Total unrealized (gains) or losses included in net loss	5,000
Balance – March 31, 2015	$ 30,000

Cost of Revenues

Costs of revenues relates to the cost of vapor pens and related accessories and paraphernalia sold at our kiosks.

Advertising Costs

The Company accounts for advertising costs in accordance with provisions in ASC 720-35-25 which states that advertising costs can be expensed as incurred or the first time the advertising takes place.

Stock-Based Compensation

The Company follows FASB ASC 718-10, "Stock Compensation", which addresses the accounting for transactions in which an entity exchanges its equity instruments for goods or services, with a primary focus on transactions in which an entity obtains employee services in share-based payment transactions. ASC 718-10 is a revision to SFAS No. 123, "Accounting for Stock-Based Compensation," and supersedes Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," and its related implementation guidance. ASC 718-10 requires measurement of the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). Incremental compensation costs arising from subsequent modifications of awards after the grant date must be recognized. No stock-based compensation has been was recognized to date.

Income Taxes

The Company follows the liability method of accounting for income taxes. Under this method, 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 and tax loss carry-forwards. 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 Income (Loss) Per Share

The computation of basic earnings per share ("**EPS**") is based on the weighted average number of shares that were outstanding during the period, including shares of common stock that are issuable at the end of the reporting period. The computation of diluted EPS is based on the number of basic weighted-average shares outstanding plus the number of common shares that would be issued assuming the exercise of all potentially dilutive common shares outstanding using the treasury stock method. The computation of diluted net income per share does not assume conversion, exercise or contingent issuance of securities that would have an antidilutive effect on earnings per share. Therefore, when calculating EPS, if the Company experienced a loss, there is no inclusion of dilutive securities as their inclusion in the EPS calculation is antidilutive. Furthermore, options and warrants will have a dilutive effect under the treasury stock method only when the average market price of the common stock during the period exceeds the exercise price of the options or warrants (they are in the money).

Following is the computation of basic and diluted net loss per share for the three months ended March 31, 2015 and 2014:

	Three Months Ended March 31, 2015	Three Months Ended March 31, 2014
Basic and Diluted EPS Computation		
Numerator:		
Loss available to common stockholders'	$ (140,824)	$ (34,719)
Denominator:		
Weighted average number of common shares outstanding	34,201,896	33,807,000
Basic and diluted EPS	$ (0.00)	$ (0.00)

Potentially dilutive securities not included in the calculation of diluted net loss per share attributable to common stockholders because to do so would be anti-dilutive are as follows (in common stock equivalent shares):

Convertible promissory notes	5,674,189	-
Warrants	726,392	-

Recent Accounting Pronouncements

In February 2015, the FASB issued ASU 2015-02, "Amendments to the Consolidation Analysis", which amends the consolidation requirements in ASC 810 and significantly changes the consolidation analysis required under U.S. GAAP relating to whether or not to consolidate certain legal entities. Early adoption is permitted. The Company's effective date for adoption is January 1, 2016. The Company does not expect this accounting update to have a material effect on its consolidated financial statements in future periods, although that could change.

In January 2015, the FASB issued ASU 2015-01, "Simplifying Income Statement Presentation by Eliminating the Concept of Extraordinary Items", which eliminates the concept from U.S. GAAP the concept of an extraordinary item. Under the ASU, an entity will no longer (1) segregate an extraordinary item from the results of ordinary operations; (2) separately present an extraordinary item on its income statement, net of tax, after income from continuing operations; or (3) disclose income taxes and earnings-per-share data applicable to an extraordinary item. Early adoption is permitted. The Company's effective date for adoption is January 1, 2016. The Company does not expect this accounting update to have a material effect on its consolidated financial statements in future periods, although that could change.

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers, to clarify the principles used to recognize revenue for all entities. In March 2016, the FASB issued ASU 2016-08 to further clarify the implementation guidance on principal versus agent considerations. The guidance is effective for annual and interim periods beginning after December 15, 2017, and early adoption is permitted. The Company is currently evaluating the impact, if any, that the adoption of this guidance will have on the Company's consolidated financial statements and related disclosures.

We review new accounting standards as issued. Although some of these accounting standards issued or effective after the end of our previous fiscal year may be applicable to us, we have not identified any standards that we believe merit further discussion. We believe that none of the new standards will have a significant impact on our financial statements.

NOTE 3 – CONVERTIBLE PROMISSORY NOTES

During the three months ended March 31, 2015, the Company recognized convertible promissory note related interest and accretion and carried the following balances:

	Note Holder	Issue Date	Maturity Date	Convertible Promissory Notes	Accrued Interest	Interest Expense	Accretion of Debt Discount
(1)	Amalfi 12% Note	Various	8/28/2014	$ 307,267	$ 38,629	$ 9,092	$ -
(2)	Amalfi 8% Note	6/20/2014	12/20/2014	16,828	1,420	332	-
(3)	LG	1/8/2015	1/8/2016	26,500	476	476	6,087
(4)	Adar	1/8/2015	1/8/2016	26,500	476	476	6,087
(5)	Typenex	2/25/2015	2/25/2016	30,000	-	-	2,795
	Totals			407,095	41,001	10,376	14,969
	Debt discount			(68,031)	-	-	-
	Balance			$ 339,064	$ 41,001	$ 10,376	$ 14,969

(1) On March 11, 2014 the Company signed a consolidated extension of the Company's prior convertible promissory notes. The amount of the combined convertible promissory notes is $307,266 with an interest rate of 8% and maturity date of August 28, 2014. The Conversion price share is $0.10, unless the Company has, before the maturity date, sold its capital stock in financing in which the Company received gross proceeds of an excess of $1,000,000 at a differing price. No such offering has occurred. Upon maturity on August 28, 2014, the interest rate increases to 12%. The promissory note is in default and accruing interest at 12%.

(2) On June 20, 2014 the Company issued a convertible promissory note in the amount of $16,828, with an interest rate of 8% and maturity date of December 20, 2014. The issuer of the convertible promissory note has the option to convert all or portion of the note into common shares of the Company at a Conversion price of $0.10 per share, unless the Company has, between the issue date of the note and its maturity date, sold its capital stock in financing in which the Company received gross proceeds in excess of $152,000 at a differing price. No such offering has occurred. The note is in default.

(3) On January 8, 2015, A1 Group, Inc. sold and LG Capital Funding, LLC ("LG") purchased a convertible promissory note with a face amount of $26,500 (the "LG Note"). The Company received $25,000 after paying $1,500 of legal fees. The LG Note accrues interest of 8%, matures on January 8, 2016 and is convertible into shares of common stock any time 180 days after January 8, 2015 at a conversion price equal to 50% of the lowest closing bid price as quoted on a national exchange for 15 prior trading days including the date on which the Notice of Conversion is received by A1 Group. In no event shall LG effect a conversion if such conversion results in LG beneficially owning in excess of 9.9% of the outstanding common stock of the Company. Accrued interest shall be paid in shares of common stock at any time at the discretion of LG pursuant to the conversion terms above. In the event of default due to non-payment at maturity, the outstanding principle shall increase by 10% and the interest rate shall increase to 24%.

(4) On January 8, 2015, A1 Group, Inc. sold and Adar Bays, LLC ("Adar") purchased a convertible promissory note with a face amount of $26,500 (the “Adar Note”). The Company received $25,000 after paying $1,500 of legal fees. The Adar Note accrues interest of 8%, matures on January 8, 2016 and is convertible into shares of common stock any time 180 days after January 8, 2015 at a conversion price equal to 50% of the lowest closing bid price as quoted on a national exchange for 15 prior trading days including the date on which the Notice of Conversion is received by A1 Group. In no event shall Adar effect a conversion if such conversion results in Adar beneficially owning in excess of 9.9% of the outstanding common stock of the Company. Accrued interest shall be paid in shares of common stock at any time at the discretion of Adar pursuant to the conversion terms above. In the event of default due to non-payment at maturity, the outstanding principle shall increase by 10% and the interest rate shall increase to 24%.

(5) On February 25, 2015 A1 Group, Inc. entered into a Securities Purchase Agreement ("SPA"), with Typenex Co-Investment, LLC ("Typenex"), for the sale of five convertible promissory notes with the first note in the amount of $30,000 (the “Typenex Note”) and five subsequent notes (the “Subsequent Typenex Notes”) in the amount of $27,500 each. The first note proceeds of $25,000 are net of $2,500 of original issue discount ("OID") and $2,500 of legal fees and notes 2-6 each include a $2,500 OID. Upon closing of the SPA Typenex funded the Typenex Note and the Company issued a Convertible Promissory Note. The Subsequent Typenex Notes have not been funded.

The Typenex Note bears a one-time interest charge of 12% on the 90th day the note is outstanding. The Company may prepay the note within 90 days without penalty and without an interest charge other than the OID. After 90 days the note may be prepaid upon written consent of Typenex at 125% of the allowed principal and interest amount. The Typenex Note matured in 1 year, and is convertible into common stock, at Typenex’s option, at 50% (the “Conversion Factor”) of the lowest closing bid price in the 15 trading days immediately preceding the conversion (the "Conversion Pirce"), provided that if at any time the Company is not DWAC eligible, then the Conversion Factor shall be reduced by 5% for all future Conversions. If at any time the Compannny is not DTC Eligible, then the Conversion Factor shall be reduced by an additional 5% for all future Conversions. The Conversion Factor is also subject to other reductions set forth in the Typenex Note. In the event of default, the outstanding balance shall be increased by 15% and interest shall accrue at 22% per annum.

Typenex has agreed to restrict its ability to convert the Typenex Note and receive shares of common stock such that the number of shares of common stock held by them in the aggregate and their affiliates after such conversion or exercise does not exceed 9.99% of the then issued and outstanding shares of common stock. The Typenex Note is a debt obligation arising other than in the ordinary course of business, which constitutes a direct financial obligation of the Company. The Typenex Note also provides for penalties and rescission rights if we do not deliver shares of our common stock upon conversion within the required timeframes.

Additionally, the Company granted Typenex a warrant to purchase shares of the Company’s common stock equal to $30,000 divided by the Conversion Price, as such number may be adjusted from time to time pursuant to the terms of the Typenex Note. Accordingly, the warrant is included on the balance sheet as a warrant liability.

NOTE 4 – RELATED PARTY TRANSACTIONS

As of December 31, 2014, the CEO had advanced $33,621 and the COO has advanced $1,950 to the Company. The advances are unsecured, non-interest bearing and are payable on demand. During the three months ended March 31, 2015, the Company repaid $7,500 to the CEO, bringing the balance payable to $26,121; and the Company repaid $871 to the COO, bringing the balance payable to $1,080.

NOTE 5 – STOCKHOLDERS’ EQUITY

On September 2, 2015, the Company increased its $0.001 par value common stock from 75,000,000 to 750,000,000 and established 5,000,000 shares of $0.001 par value, Series A Preferred stock. The 5,000,000 shares of Series A Preferred stock is convertible, in whole, at any time, into 60% of the then outstanding shares of common stock on a fully diluted basis at the time of conversion.

During the three months ended March 31, 2015, the Company issued a net 145,380 shares of common stock due to finalizing the Merger.

On August 14, 2014, A1 Group, Inc. closed the Merger. Pursuant to the Merger, the Registrant issued A1 Vapors shareholders a total of 21,000,000 shares of common stock in exchange for 100% of the outstanding shares of A1 Vapors. Prior to the issuance of the 21,000,000 shares, the 21,000,000 shares were returned to treasury leaving the Registrant with 12,844,260 common shares outstanding prior to the Merger. As a result of the Merger and reverse merger accounting, 12,844,260 common shares were deemed issued pursuant to the Merger valued at $342,231 in net liabilities assumed of A1 Group, Inc. and including a subscription receivable representing 272,336 common shares valued at $60,850 and $436,925 in liabilities.

On September 25, 2014, the Company received $22,800 in Subscription receivables to issue 152,000 common shares through a private placement at $0.15 per share. The shares have not yet been issued.

On October 6, 2014, the Company received $$27,200 in Subscription receivables to issue 181,333 common shares through a private placement at $0.15 per share. The shares have not yet been issued.

On December 23, 2014, the Company issued 324,000 common shares in the conversion of $32,400 of Convertible Promissory Notes and accrued interest at $0.10 per share.

NOTE 6 – SUBSEQUENT EVENTS

Management has reviewed material subsequent events in accordance with FASB ASC 855 “Subsequent Events”.

On May 15, 2015, as a result of failing to file its Form 10-Q for the three months ended March 31, 2015 with the SEC (“Initial Default”), the Company fell into default resulting in the addition of $4,500 to the principal balance of the Typenex Note which was recognized as interest expense. On August 14, 2015, as a result of failing to file its Form 10-Q for the three and six months ended June 30, 2015 with the SEC, the Company incurred a default resulting in the addition of $6,123 to the principal balance of the Typenex Note which was recognized as interest expense. On August 21, 2015, as a result of becoming non DWAC eligible, the Company incurred a default resulting in the addition of $2,357 to the principal balance of the Typenex Note which was recognized as interest expense. On March 2, 2016, as a result of non-payment by the maturity date of the Typenex Note, the Company incurred a default resulting in the addition of $8,359 to the principal balance of the Typenex Note which was recognized as interest expense. Additionally, due to the Initial Default, the Typenex Note began accruing interest at 22% per annum, compounded daily.

On June 23, 2015, the Company engaged TBG Holdings Corp. to assist with debt restructuring, business development and advise the Company regarding financial matters, financial strategy, corporate strategic planning and public market awareness and to provide such other services as agreed by both parties. TBG provided the Company with a $100,000 credit line. In exchange for their services, the Company agreed to pay TBG a first month’s fee of $25,000 and $10,000 per month thereafter. Additionally, the Company agreed to issue TBG 40% of the then outstanding shares of common stock then outstanding subject to shareholder approval. On February 11, 2016, the Company and TBG amended their understanding to increase the shares to be issued to equal 60% of the then outstanding shares of common stock and to also issue 100% of the preferred shares to TBG. Additionally, the existing officers and directors agreed to resign and appoint Timothy Hart as the new sole Director and sole Officer. TBG Holdings Corp. is owned, in part, by Mr. Hart.

On August 31, 2015, the Company, TBG Holdings and Harrison Holdings, LLC (the “Parties”) entered into an agreement whereby Harrison Holdings, LLC will provide assistance with debt restructuring, business development and advise the Company regarding financial matters, financial strategy, corporate strategic planning and public market awareness and to provide such other services as agreed by both parties along with TBG. The Parties agreed to compensate Harrison Holdings, LLC by splitting the fees agreed to between TBG and the Company whereby Each of Harrison Holdings, LLC and TBG will each receive an initial fee of $12,500 and $5,000 per month thereafter.

Beginning in September 2015, the Company entered into a sublease for the rent of office space with R3 Accounting, LLC, a professional services firm owned by Mr. Hart. The lease is month-to-month with rent of $3,000 due on the first of the month.

On September 2, 2015, the Company increased its $0.001 par value common stock from 75,000,000 to 750,000,000 and established 5,000,000 shares of $0.001 par value, Series A Preferred stock. The 5,000,000 shares of Series A Preferred stock is convertible, in whole, at any time, into 60% of the then outstanding shares of common stock on a fully diluted basis at the time of conversion.

As of January 8, 2016, the Adar and LG notes, each with a face amount of $26,500 fell into default as a result of non-payment. The notes are currently in default.

On February 10, 2016, A1 Group, Inc. sold and The Wanich Family Trust ("Wanich") purchased a promissory note with a face amount of $50,000 (the “Wanich Note”). The Company received $50,000. The Wanich Note accrues interest of 12% and is payable upon demand.

As of February 25, 2016, the Typenex note with a face amount of $30,000 fell into default as a result of non-payment. The note is currently in default.

On January 6, 2017 the Board approved and on January 11, 2017, the Company issued 51,740,460 shares of common stock and 5,000,000 shares of Series A Preferred stock to TBG Holdings Corporation.