

OTC Pink Basic Disclosure Guidelines

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.

Capital Beverage Corporation

2) Address of the issuer's principal executive offices

Company Headquarters

Address 1: 8 The Green, STE 7734,
Dover, DE 19901

Phone: 302-659-7236

IR Contact

Address 1: N/A

3) Security Information

Trading Symbol: CBEV

Exact title and class of securities outstanding: Common stock

CUSIP: 139816102

Par or Stated Value: \$0.001 per share

Total shares authorized: 250,000,000

as of: December 31, 2018

Total shares outstanding: 11,054,234

as of: December 31, 2018

Additional class of securities (if necessary):

Trading Symbol: CBEV

Exact title and class of securities outstanding: Preferred stock

Par or Stated Value: \$0.01 per share

Total shares authorized: 1,000,000

as of: December 31, 2018

Total shares outstanding: 0

as of: December 31, 2018

Transfer Agent

Name: Continental Stock Transfer & Trust Company

Address 1: 1 State Street, 30th Floor, New York, NY 10004

Phone: 212-509-4000

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

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

List any restrictions on the transfer of security:

Our securities are not registered under the Securities Act of 1933 (the "Act"), or applicable state securities laws, and are characterized under the Act as "restricted securities" and, therefore, cannot be sold or transferred unless subsequently registered under the Act or an exemption from such registration is available. There are no further restrictions.

Describe any trading suspension orders issued by the SEC in the past 12 months.

N/A

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 September 5, 2018, the Company effected a 1-for-20 reverse stock split of its issued and outstanding common shares. Accordingly, all share and per share amounts for all periods presented in the accompanying financial statements and notes thereto have been adjusted retroactively, where applicable, to reflect this stock split. All amounts in the disclosure statement are also presented retroactively.

4) Issuance History

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of equity 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, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);

In December 2018, the Company converted outstanding accounts payable pertaining to professional fees into common shares at a conversion price of \$0.20 per share. The Company issued 12,500 common shares in exchange for \$50,000.

B. Any jurisdictions where the offering was registered or qualified;

N/A

C. The number of shares offered;

12,500 common shares issues in exchange for conversion of accounts payable

D. The number of shares sold;

N/A – no cash exchanged

E. The price at which the shares were offered, and the amount actually paid to the issuer;

N/A

F. The trading status of the shares; and

Unregistered

G. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

Yes

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. For the initial disclosure statement (qualifying for Current Information for the first time) please provide reports for the two previous fiscal years and any interim periods.

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

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

You may either (i) attach/append the financial statements to this disclosure statement or (ii) post such financial statements through the OTC Disclosure & News Service 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 reports separately as described in part (ii) 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 otcq.com in the field below.

See financial statements at the end of this disclosure statement

Information contained in a Financial Report is considered current until the due date for the subsequent Financial Report. To remain in the OTC Pink Current Information tier, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of its fiscal quarter-end date.

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

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

- A. a description of the issuer's business operations;

The Company does not have any ongoing operations and is not currently engaged in any business activities that provide cash flow. The Company, as defined in Rule 12b-2 under the Exchange Act, is a "shell company," defined as a company with no or nominal assets (other than cash) and no or nominal operations. The Company will continue to incur claims, liabilities and expenses.

- B. Date and State (or Jurisdiction) of Incorporation:

Capital Beverage Corporation was incorporated under the laws of the State of Delaware on December 5, 1995.

- C. the issuer's primary and secondary SIC Codes;

9995

- D. the issuer's fiscal year end date;

12/31

E. principal products or services, and their markets;

N/A – see A above.

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.

We do not currently lease or own any facilities.

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.

The Company's sole officer and director is Benjamin Cohen. As of December 31, 2018 and the date of this information statement, Mr. Cohen was the beneficial owner of 10,500,000 shares, or 95.0%, of the Company's common stock.

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);

N/A

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;

N/A

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

N/A

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.

N/A

- 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.

Benjamin Cohen
10,500,000 common shares (95.0%)
8 The Green, STE 7734, Dover, DE 19901

9) **Third Party Providers**

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel

Name: Arden E. Anderson
Firm: Austin Legal Group, APC
Address 1: 3990 Old Town Ave, Suite A-112
Address 2: San Diego, CA 92110
Phone: 619-924-9600
Email: arden@austinlegalgroup.com

Accountant or Auditor

Name: Eric Sherb
Firm: EMS Consulting Services LLC
Address 1: 145 West 67th St, Apt 26J
Address 2: New York, NY 10023
Phone: 516-713-9590
Email: eric@emscpa.com

Investor Relations Consultant

Name: N/A

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

Name: N/A

10) Issuer Certification

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, Benjamin Cohen certify that:

1. I have reviewed this annual disclosure statement of Capital Beverage Corporation;
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.

February 12, 2019

/s/ Benjamin Cohen
Chief Executive Officer

CAPITAL BEVERAGE CORPORATION
UNAUDITED BALANCE SHEETS

	December 31,	
	2018	2017
Liabilities and Stockholders' Deficit		
Current liabilities:		
Accounts payable and accrued expenses	\$ -	\$ 60,000
Total liabilities	<u>-</u>	<u>60,000</u>
Stockholders' deficit:		
Preferred stock, no par value; 1,000,000 shares authorized; no shares issued and outstanding	-	-
Common stock, \$0.001 par value; 250,000,000 shares authorized; 11,054,234 shares issued and outstanding as of December 31, 2018 and 2017	11,054	11,042
Additional paid-in capital	7,538,608	7,488,620
Accumulated deficit	<u>(7,549,662)</u>	<u>(7,559,662)</u>
Total stockholders' deficit	<u>-</u>	<u>(60,000)</u>
Total liabilities and stockholders' deficit	<u>\$ -</u>	<u>\$ -</u>

See notes to the financial statements.

CAPITAL BEVERAGE CORPORATION
UNAUDITED STATEMENTS OF OPERATIONS

	Year Ended December 31	
	2018	2017
Revenue	\$ -	\$ -
Operating expenses	-	-
Income from operations	-	-
Other income:		
Gain on forgiveness of debt	10,000	-
Total other income	10,000	-
Net income	<u>\$ 10,000</u>	<u>\$ -</u>
Net income per share attributable to common stockholders—basic and diluted	<u>\$ 0.00</u>	<u>\$ -</u>
Weighted average common shares outstanding—basic and diluted	<u>11,042,008</u>	<u>11,041,734</u>

See notes to the financial statements.

CAPITAL BEVERAGE CORPORATION
UNAUDITED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT

	Common Stock		Additional	Accumulated	Total
	Shares	Amount	Paid-in	Deficit	Stockholders'
			Capital		Deficit
Balances as of December 31, 2017	11,041,734	\$ 11,042	\$ 7,488,620	\$ (7,559,662)	\$ (60,000)
Issuance of common stock pursuant to conversion of accounts payable	12,500	12	49,988	-	50,000
Net income	-	-	-	10,000	10,000
Balances as of December 31, 2018	<u>11,054,234</u>	<u>\$ 11,054</u>	<u>\$ 7,538,608</u>	<u>\$ (7,549,662)</u>	<u>\$ -</u>

See notes to the financial statements.

CAPITAL BEVERAGE CORPORATION
UNAUDITED STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
Net income	\$ 10,000	\$ -
Adjustments to reconcile net loss to net cash used in operating activities:		
Gain on forgiveness of debt	(10,000)	-
Net cash used in operating activities	-	-
Net cash used in investing activities	-	-
Net cash used in financing activities	-	-
Net increase (decrease) in cash	-	-
Cash at beginning of year	-	-
Cash at end of year	<u>\$ -</u>	<u>\$ -</u>

See notes to the financial statements.

CAPITAL BEVERAGE CORPORATION
NOTES TO UNAUDITED FINANCIAL STATEMENTS

NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION

Capital Beverage Corporation was incorporated under the laws of the State of Delaware on December 5, 1995.

On September 5, 2018, the Company effected a 1-for-20 reverse stock split of its issued and outstanding common shares. Accordingly, all share and per share amounts for all periods presented in the accompanying financial statements and notes thereto have been adjusted retroactively, where applicable, to reflect this stock split.

The Company does not have any ongoing operations and is not currently engaged in any business activities that provide cash flow. As of the date hereof, the Company, as defined in Rule 12b-2 under the Exchange Act, is a “shell company,” defined as a company with no or nominal assets (other than cash) and no or nominal operations. The Company will continue to incur claims, liabilities and expenses.

The Company’s plan of operation for the next twelve months shall be to locate a suitable acquisition or merger candidate. The Company is not currently engaged in any business activities that provide cash flow.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Use of Estimates

The preparation of the Company’s financial statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of expenses during the reporting period. Estimates are periodically reviewed in light of changes in circumstances, facts and experience. Changes in estimates are recorded in the period in which they become known. Actual results could differ from the Company’s estimates.

Fair Value Measurements

Certain assets of the Company are carried at fair value under U.S. GAAP. Fair value is defined 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. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.
- Level 3—Unobservable inputs that are supported by little or no market activity that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

CAPITAL BEVERAGE CORPORATION
NOTES TO UNAUDITED FINANCIAL STATEMENTS

The Company does not have any assets or liabilities that are measured at fair value determined according to the fair value hierarchy described above. The carrying values of the Company's accounts payable and accrued expenses approximate their fair value due to the short-term nature of these liabilities.

Comprehensive Income (Loss)

Comprehensive income (loss) is defined as the change in equity of a business enterprise during a period from transactions and other events and circumstances from nonowner sources, including unrealized gains and losses on marketable securities held as available for sale. For years ended December 31, 2018 and 2017, there was no difference between net loss and comprehensive loss.

Income Taxes

The Company follows the liability method of accounting for income taxes, as set forth in ASC 740, *Accounting for Income Taxes* ("ASC 740"). ASC 740 provides for the recognition of deferred tax liabilities and assets for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. The Company follows the provisions of the accounting guidance on accounting for income taxes 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 determined based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. A valuation allowance is provided to reduce the deferred tax asset to a level which, more likely than not, will be realized.

ASC 740-10, *Accounting for Uncertainty in Income Taxes* ("ASC 740-10"), provides detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in an enterprise's financial statements. In accordance with ASC 740-10, income tax positions must meet a more likely than not recognition threshold at the effective date to be recognized upon the adoption of the standard and in subsequent periods. The Company recognizes potential accrued interest and penalties related to unrecognized tax benefits within operations as income tax expense over the next twelve months. The Company has no liabilities recorded as of December 31, 2018 under ASC 740-10.

Net Income (Loss) per Share

The Company follows the two-class method when computing net income (loss) per share as the Company has issued shares that meet the definition of participating securities. The two-class method determines net income (loss) per share for each class of common and participating securities according to dividends declared or accumulated and participation rights in undistributed earnings. The two-class method requires income available to common stockholders for the period to be allocated between common and participating securities based upon their respective rights to receive dividends as if all income for the period had been distributed.

Basic net income (loss) per share attributable to common stockholders is computed by dividing the net income (loss) attributable to common stockholders by the weighted average number of shares of common stock outstanding for the period. Diluted net income (loss) attributable to common stockholders is computed by adjusting net income (loss) attributable to common stockholders to reallocate undistributed earnings based on the potential impact of dilutive securities. Diluted net income (loss) per share attributable to common stockholders is computed by dividing the diluted net income (loss) attributable to common stockholders by the weighted average number of shares of common stock outstanding for the period, including potential dilutive common shares. During the year ended December 31, 2018, the Company did not have any securities that are considered potential dilutive common shares.

CAPITAL BEVERAGE CORPORATION
NOTES TO UNAUDITED FINANCIAL STATEMENTS

Recently Issued Accounting Pronouncements

In August 2016, the FASB issued ASU No. 2016-15, *Statement of Cash Flows (Topic 230), Classification of Certain Cash Receipts and Cash Payments* (“ASU 2016-15”). The amendments of ASU 2016-15 were issued to address eight specific cash flow issues for which stakeholders have indicated to the FASB that a diversity in practice existed in how entities were presenting and classifying these items in the statement of cash flows. The issues addressed by ASU 2016-15 include but are not limited to the classification of debt prepayment and debt extinguishment costs, payments made for contingent consideration for a business combination, proceeds from the settlement of insurance proceeds, distributions received from equity method investees and separately identifiable cash flows and the application of the predominance principle. The amendments of ASU 2016-15 are effective for public entities for fiscal years beginning after December 15, 2017 and interim periods in those fiscal years. Early adoption is permitted. The adoption of ASU 2016-15 is required to be applied retrospectively. The Company is currently evaluating the impact that the adoption of ASU 2016-15 will have on its financial statements.

In November 2015, the FASB issued ASU No. 2015-17, *Balance Sheet Classification of Deferred Taxes* (“ASU 2015-17”). ASU 2015-17 requires deferred tax liabilities and assets to be classified as non-current in the balance sheet. ASU 2015-17 is required to be adopted for annual periods beginning after December 15, 2016, including interim periods within those fiscal years. The amendment may be applied either prospectively to all deferred tax liabilities and assets or retrospectively to all periods presented. The Company is currently evaluating the impact that the adoption of ASU 2015-17 will have on its financial statements.

NOTE 3 – ACCOUNTS PAYABLE AND ACCRUED EXPENSES

The following is a summary of accounts payable and accrued expenses:

	December 31,	
	2018	2017
Professional fees	\$ -	\$ 55,000
Franchise taxes	-	5,000
Total accounts payable and accrued expenses	<u>\$ -</u>	<u>\$ 60,000</u>

In December 2018, the Company converted \$50,000 in accrued professional fees into 12,500 shares of common stock. The remaining \$10,000 of accounts payable and accrued expenses were forgiven and recorded as other income in the statements of operations.

NOTE 4 – STOCKHOLDERS’ EQUITY

The Company’s certificate of incorporation, as amended and restated, authorized the Company to issue 1,000,000 shares of preferred stock and 250,000,000 shares of common stock as of December 31, 2017 and 2016.

On December 13, 2011, the Board approved a 1-to-20 reverse stock split of the Company’s issued and outstanding common shares. The reverse stock split was effected by the Company on September 5, 2018. All common stock share amounts presented in these financial statements are retroactively presented.

During December 2011, the Company converted outstanding accounts payable and accrued expense balances into common shares at a conversion price of \$0.20 per share. The Company issued 352,132 common shares in exchange for \$1,410,531. An additional \$74,090 of amounts due to the former CEO were contributed to additional paid-in-capital as forgiveness of officer debt.

In December 2011, the Company entered into a share exchange agreement with Paramount Consulting (“Paramount”) whereby the Company agreed to issue 100 preferred shares and 450,000 common shares to the majority shareholder of Paramount. The preferred shares were immediately converted into 10,050,000 shares of common stock

CAPITAL BEVERAGE CORPORATION
NOTES TO UNAUDITED FINANCIAL STATEMENTS

and a total of 10,500,000 common shares were issued in June 2014. The beneficial owner of Paramount Consulting is Benjamin Cohen, the Company's Chief Executive Officer.

In December 2018, the Company converted outstanding accounts payable and accrued expense balances into common shares at a conversion price of \$0.20 per share. The Company issued 12,500 common shares in exchange for \$50,000.

As of December 31, 2018 and 2017, there were no preferred shares issued and outstanding. As of December 31, 2018 and 2017, there were 11,054,234 and 11,041,734 common shares issued and outstanding.

NOTE 5 – INCOME TAXES

As of December 31, 2017, the Company had a net operating loss carryover of approximately \$2,253,000 available as offsets against future taxable income, if any, which expire at various dates through 2036. The Company has a deferred tax asset of \$901,200 arising from net operating losses and has recorded a valuation allowance for the full amount of such deferred tax asset.

NOTE 6 – COMMITMENTS AND CONTINGENCIES

Legal Proceedings

The Company is not a party to any litigation and does not have contingency reserves established for any litigation liabilities.

NOTE 7 – SUBSEQUENT EVENTS

For its financial statements, as of and for the year ended December 31, 2018, the Company evaluated subsequent events through February 11, 2019, the date on which those financial statements were available to be issued.