

# **QUARTERLY INFORMATION DISCLOSURE STATEMENT**

**October 31, 2016**

**Cartel Blue, Inc.**  
(a Nevada Corporation)

**TRADING SYMBOL: CRTL**

**CUSIP NUMBER: 146094 107**

## **ISSUER'S EQUITY SECURITIES:**

**Voting Common Stock, \$0.0001 par value**

## **TRANSFER AGENT:**

**First American Stock Transfer, Inc.  
6201 15<sup>th</sup> Avenue  
Brooklyn, NY 11219  
Telephone: 602-485-1346  
Fax: 602-788-0423**

# **CARTEL BLUE, INC.**

**October 31, 2016**

**Information required for compliance with the provisions of the OTC Markets, Inc.,  
OTC Pink Disclosure Guidelines (Version 1.1.1 4/25/13)**

Because we want to provide more meaningful and useful information, this Disclosure Statement contains certain “forward-looking statements” (as such term is defined in Section 21E of the Securities Exchange Act of 1934, as amended). These statements reflect our current expectations regarding our possible future results of operations, performance, and achievements. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, regulation of the Securities and Exchange Commission, and common law.

Wherever possible, we have tried to identify these forward-looking statements by using words such as “anticipate,” “believe,” “estimate,” “expect,” “plan,” “intend,” and similar expressions. These statements reflect our current beliefs and are based on information currently available to us. Accordingly, these statements are subject to certain risks, uncertainties, and contingencies, which could cause our actual results, performance, or achievements to differ materially from those expressed in, or implied by, such statements. We have no obligation to update or revise any such forward-looking statements that may be made to reflect events or circumstances after the date of this Disclosure Statement.

**Item 1.           The exact name of the Issuer and its predecessors (if any).**

The exact name of the Issuer is Cartel Blue, Inc. We were originally incorporated in Colorado in November 1995 as Alchemy Equities Ltd. On or about August 16, 2005, the Company was merged with and into Southern Cosmetics, Inc. a Nevada corporation. In December 2007 our name was changed to Revenge Designs, Inc. On September 18, 2015, we changed our name to Cartel Blue, Inc.

Other than listed above, the corporation has used no other names in the past five years.

**Item 2.           Address of the Issuer's Principal Executive Offices**

Company Headquarters:

1330 Factory Place  
Suite 124  
Los Angeles, CA 90013

The telephone number is (213) 745-8104

E-mail: [Info@CRTLinvest.com](mailto:Info@CRTLinvest.com)

Website: [www.cartelblue.com](http://www.cartelblue.com)

IR Contact:

David Rhodes  
Cartel Blue, Inc.  
1330 Factory Place  
Suite 124  
Los Angeles, CA 90013  
(213) 745-8104  
E-mail: Info@CRTLinvest.com

**Item 3. Security Information.**

Trading Symbol: CTRL  
Exact Title and Class of Securities Outstanding: Common Stock  
CUSIP: 146094 107  
Par or Stated Value: \$0.0001  
Total Shares Authorized: 500,000,000  
Total Shares Outstanding: 124,551,850  
Total Free-trading Shares: 45,547,072  
Number of Shareholders of Record: 43

Transfer Agent:

First American Stock Transfer, Inc.  
6201 15<sup>th</sup> Avenue  
Brooklyn, NY 11219  
Telephone: 602-485-1346  
Fax: 602-788-0423

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

List any restrictions on the transfer of securities: Other than 45,547,072 shares of its common stock that are free-trading, all other shares are restricted and subject to Rule 144.

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

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

The Company was previously in receivership (Nevada Case # 12OC 000781B). On June 24, 2013, the Company effectuated a 1-for-43,000 reverse split of its common stock as approved by Order of the Court dated February 25, 2013.

#### **Item 4. Issuance History**

**(All numbers of shares of Common Stock listed below are post-split which was effective on June 24, 2013)**

1. On June 25, 2013, the Receiver for the Company caused the issuance of 275,000,000 restricted shares of common stock and an aggregate of 100,000,000 unrestricted shares of common stock pursuant to an Order of the Court dated February 25, 2013. The unrestricted shares were issued in reliance upon Section 3(a)(10) of the Securities Act of 1933.
2. On March 18, 2015, 75,000,000 restricted shares of Common Stock were issued to David Rhodes pursuant to the Purchase Agreement, whereby the Company acquired all of the issued and outstanding shares of capital stock of Cartel Blue, Inc., a Wyoming corporation. Subsequent thereto 60,000,000 of such shares were inadvertently canceled. The Company reissued those 60,000,000 restricted shares to Mr. Rhodes on October 7, 2015.
3. In September 2015, the Company issued an aggregate of 1,033,350 restricted shares of its common stock to 4 individuals for \$65,000. With the issuance of the shares of common stock, the Company also issued 1,033,350 common stock warrants to the same 4 individuals.
4. In January 2016, the Company issued 50,000 restricted shares of its common stock to a Family Trust for \$10,000.
5. In February 2016, the Company issued 71,428 restricted shares of its common stock for \$10,000.
6. In October 2016, the Company reissued 3,750,000 shares of common stock to a third party which were incorrectly canceled in April 2015.
7. In October 2016, the Company issued 200,000 restricted shares of its common stock upon exercise of 200,000 Warrants at a cost of \$0.029015 per share or an aggregate of \$5,803.

#### **Item 5. Financial Statements**

The financial statements for the fiscal year ended October 31, 2016 are being posted to OTC Markets as a Quarterly Report concurrently herewith.

#### **Item 6. Describe the Issuer's Business, Products and Services.**

##### **A. Description of the Issuer's Business Operations:**

The Company's wholly-owned subsidiary, Cartel Blue, Inc., a Wyoming corporation, is a Los Angeles, California-based, eco-friendly apparel company that utilizes high quality

fabrics and designs with contemporary and edgy marketing strategies in conjunction with popular and unique celebrities in the film, television and music industries. Cartel Blue primarily manufactures and markets eco-friendly cotton premium jeans and sportswear for both men and women. Cartel Blue manufactures all of its apparel products in the United States of America while utilizing the best in class of fabric suppliers and apparel designers.

Cartel Blue's mission is to bring unique eco-friendly premium jeans and sportswear to consumers concerned with high quality fashion and/or social issue changes that enlarge their personal freedoms.

Our target segments are brands and retailers that focus their efforts in servicing midrange premium jean market with prices from \$150-250. Retail, and midrange premium standard sportswear market with prices from \$50-100 retail. For these segments, our value proposition is to be a high quality product with an operation system to deliver, at large scale, differentiated jeans and tops to the market in a timely manner.

Our apparel products are superior to most of our competitors because we source eco-friendly fabrics, utilize American grown and woven premium cotton fabrics, have forward thinking experienced designers, and utilize Los Angeles, California-based premium apparel manufacturers. Moreover, we have unique marketing skill sets that enable us to attract customers at a low cost. These skill sets, inter alia, include working with social issue change organizations seeking to raise funds through direct email sales of Cartel Blue apparel to its members, free standing displays of Cartel Blue apparel in extraordinary locations with distinctive point of purchase attachments to attract consumer attention, and extraordinary celebrity support.

As of October 31, 2016, we had inventory with a value of \$267,554. If sold at the wholesale level, these goods would sell for approximately \$535,000. If sold at the retail level on the Company's website, these goods would sell for approximately \$1,070,000.

### Cartel Blue, Inc. is uniquely qualified to succeed

**Products:** We utilize United States of America grown and woven premium cotton fabrics, have forward thinking experienced designers, and utilize Los Angeles based premium apparel manufactures.

**Human Resources:** Our management team has unique experience in the industry including, apparel design, apparel manufacturing, retail apparel store ownership, and internet website design and promotion.

**Location:** Our location allows us to better serve customers because we have easy access to apparel market manufacturing and store buyers along with a substantial pool of human resource availability.

**Operational Systems:** We are developing systems that enable us to provide high visibility of Cartel Blue products to consumers. The systems include internet website, mobile apps, and social media of Cartel Blue products.

**Customers:** We will be serving customers concerned with and active in positive social issue change movements along with those interested in high quality fashionable apparel products.

**Intellectual Property (IP):** We have Intellectual Property that gives us an advantage over our competitors. Our Intellectual Property includes ownership of trademark, .com domain name, and Cartel Blue social media names for Facebook, Twitter, Google+, Pinterest, and Instagram.

**Marketing:** We have unique marketing skill sets that enable us to attract new customers at a low cost. These skill sets include seeking to raise funds through sales of Cartel Blue and future brands products to members, free standing displays in extraordinary locations with unique point of purchase attachments to attract consumer attention, and celebrity support.

### Industry Analysis for Cartel Blue

The market in which Cartel Blue is operating can be characterized by the following:

- Premium denim jeans.
- Sales: Consumer research group NPD reports the fastest-growing segment of the denim jean market is premium with estimated market value of \$2.2 billion for the year ended in 2013.
- Market trend for premium denim jean sales is up 17.3 from the previous year.
- Premium t-shirts.
- Sales: We Connect Fashion industry research estimated premium t-shirt and sportswear market value of \$3 billion for the year ended in 2013.
- Market trend for premium t-shirts and sportswear sales is up 5.7 from the previous year.

Our relevant market size is the annual revenue that our company could attain if we owned 100% market share.

Our relevant market size is calculated as follows:

- Total units of premium denim jeans sold in 2013, was 13.5 million pairs.
- Amount these customers might be willing to spend, on an annual basis, on premium denim jeans is \$300.
- Our relevant market size for premium denim jeans is \$2.2 billion.
- Total units of premium t-shirts sold in 2013, was 67 million t-shirts.
- Amount these customers might be willing to spend, on an annual basis, on premium t-shirts and tops is \$250.
- Our relevant market size for premium t-shirts and sportswear is \$2 billion.

As the analysis shows, our relevant market is large enough for our company to enjoy considerable success.

### Customer Analysis for Cartel Blue, Inc.

Our customers are men and women that appreciate eco-friendly fabric and high quality fashion manufactured in the United States of America. They are concerned with social issues and are not afraid to express their opinion via apparel fashion statement.

### Targeted Customers

- Age: 15-50, with some room on either side to accommodate/allow for various income brackets.
- Income: Cartel Blue, Inc. premium apparel product brands appeal to both low and high income brackets.
- Gender: Male and Female.
- Location: Primarily the United States of America and all other free nations around the world.
- Values/Beliefs: Socially conscience individuals that seek positive social issue changes to enlarge their personal freedom of choice.

### Customer Needs

- **Speed:** Direct purchase from retailer business or immediate free delivery from Cartel Blue website [www.Cartelblue.com](http://www.Cartelblue.com) coming soon.
- **Quality:** They want premium denims, t-shirts and sportswear that perform well and look and feel great. They also desire the added bonus of knowing what they wear is environmentally sustainable.

- **Reliability:** Cartel Blue apparel is made from the highest quality eco-friendly natural fabrics.
- **Comfort:** Cartel Blue has selected fabric and designed jeans, t-shirts and sportswear that are timeless and that improve in comfort with age and wear.
- **Price:** Cartel Blue product price points are mid-range of the premium jean, t-shirt and sportswear market.
- **Customer Service:** Cartel Blue will absolutely seek to provide superior customer service to its customers and retail stores carrying its apparel.

## **Marketing Plan for Cartel Blue**

### **Products, Services & Pricing**

Product # 1: Premium jeans that advocate positive social issue change or otherwise have unique fashion appeal.

- **Product description:** Luxury premium jeans made in the United States of America with careful and studied attention to fit, eco-friendly fabric, and style.
- **Product benefits:** Cartel Blue premium jeans show off a consumers' status and/or their social issue change desires. Premium jeans are also known for giving wearers that perfect fit that boosts sex appeal.
- **Product price:** Premium jeans have become the jean consumers depend upon most so frequent wearing helps consumers justify the higher price of \$150 and up.
- **Product expected purchase frequency/quantity:** Premium jean consumers have on the average of 7 jeans in their collection and purchase 2 to 3 pairs a year.
- **Product strengths:** Cartel Blue premium jeans are made in the United States of America, and have unique fashion appeal while donating a percentage of sales will be donated to disabled veteran organizations that offer a variety of programs.

Product # 2: Premium T-Shirts and Sportswear that advocate positive social issue change or otherwise have unique fashion appeal.

- **Product description:** Luxury premium t-shirts and sportswear made in the United States of America with careful and studied attention to fit, fabric, and style.
- **Product benefits:** Cartel Blue premium t-shirts and sportswear show off a consumers' status and/or their social issue change desires
- **Product price:** Premium t-shirts and sportswear have become the t-shirt or sportswear consumers depend upon most so frequent wearing helps consumers justify the higher price of \$30 and up.



- **Product expected purchase frequency/quantity:** Premium t-shirt and sportswear consumers have on the average 10-20 t-shirts and tops in their collection and purchase 4-7 items each year.
- **Product strengths:** Cartel Blue premium t-shirts and sportswear cotton blends of fabric have unique fashion appeal while donating a percentage of it's to disabled veteran organizations that offer a variety of programs.

### Promotional and Distribution Plan for Cartel Blue

Cartel Blue will use the following tactics to attract new customers:

- Direct Mail
- Celebrities
- Apps
- Social media adds
- Event Marketing
- Newspaper/Magazine/Journal ads
- Partnerships/Joint Ventures
- Press Releases/PR
- Radio Ads
- Trade Shows
- Word of Mouth / Viral Marketing
- Internet website/email marketing/online marketing
- Movie product placement
- Television product placement

Customers can purchase products from us via the following methods:

- Retail locations where Cartel Blue products are sold.
- Company website: [www.CartelBlue.com](http://www.CartelBlue.com)
- Other Company websites that sell Cartel Blue products.
- Trade Shows and events.

#### **B. Date and State (or jurisdiction) of Incorporation:**

Cartel Blue, Inc., is a Nevada corporation. We were originally incorporated in Colorado in November 1995 as Alchemy Equities Ltd. On or about August 16, 2005, the Company was merged with and into Southern Cosmetics, Inc. a Nevada corporation. In December 2007

our name was changed to Revenge Designs, Inc. On September 18, 2015, we changed our name to Cartel Blue, Inc.

**C. The Issuer's Primary and Secondary SIC Codes:**

2300 – Apparel  
2320 – Men’s Apparel  
2330 – Women’s Apparel

**D. The Issuer's Fiscal Year End Date:**

The Issuer's fiscal year end is January 31.

**E. Principal products or services, and their markets;**

Reference is made to Item 6A, above.

**Item 7. Describe the Issuer's Facilities**

The Company currently rents approximately 500 square feet on a month-to-month basis. We believe that this arrangement is adequate and suitable for our current needs. However, when expansion of our business demands increased office space, there are considerable facilities available in the Los Angeles Fashion District, the area in which we are presently located.

**Item 8. Officers, Directors and Control Persons**

**A. Officers and Directors and Control Persons.** Provide the full names, business addresses and number of securities (specify each class) beneficially owned by each person as of October 31, 2016.

**Executive Officers**

<b><u>Name</u></b> <sup>(1)</sup>	<b><u>Position</u></b>	<b><u>Other Affiliations</u></b>	<b><u>Common Shares</u></b>
David Rhodes	President/CFO/Sec.	None	75,000,000

**Directors**

<b><u>Name</u></b> <sup>(1)</sup>	<b><u>Position</u></b>	<b><u>Common Shares</u></b>
David Rhodes	Chairman	75,000,000

**Control Person (shareholders holding more than 5% of any class)**

<u>Name</u>	<u>Shares</u>	<u>Class</u>	<u>Percentage Ownership</u>
David Rhodes <sup>(1)</sup>	75,000,000	Common	60.22%
Sandra Annette Dill 2201 North Rojo Drive Hobbs, NM 88240	10,095,000	Common	8.11%
Jackie Darrell Dill 16913 FM179 Wolfforth, TX 79382	9,950,000	Common	7.99%
Olaf Peter Juda 5437 Redland Drive San Diego, CA 92115	8,750,000	Common	7.03%
Gaffer Financial Inc. Jack Dill, Jr - President P.O. Box 1734 Pecos, TX 79772	6,750,000	Common	5.42%

(1) The business address is: 1330 Factory Place, #124, Los Angeles, CA 90013

**B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have in the last five years, been the subject of:**

**1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);**

None of the foregoing persons have been the subject of a conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding.

**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 a person's involvement in any type of business, securities, commodities, or banking activities;**

None of the foregoing persons have been the subject of any order, judgment, or decree, that permanently or temporarily enjoined, barred, suspended or otherwise limited such a person's involvement in any type of business, securities, commodities, or banking activities

**3. A finding or judgment by a court of competent jurisdiction (in a civil action), the SEC, the CFTC, 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;**

None of the foregoing persons have been the subject of any finding or judgment by a court of competent jurisdiction (in a civil action), the SEC, the CFTC, or a state securities regulator of a violation of federal or state securities or commodities law.

**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 of the foregoing persons have been the subject of any 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.

**C. Beneficial Shareholders.**

**To the extent not otherwise disclosed in response to the foregoing, provide a list of the names, addresses and shareholdings of all persons holding more than ten percent (10%) of any class of the issuer's equity securities.**

**SEE PART A, ITEM 8, ABOVE.**

If any of the beneficial shareholders are corporate shareholders, provide the name and address of person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders. See Part A, Item 8, above.

**Item 9. Please provide the name, address, telephone number, and email address of each of the following outside providers that advise the issuer on matters relating to operations, business development and disclosure:**

**Legal Counsel;**

None

**Accountant or Auditor:**

Peter Yu  
Lichter, Yu and Associates, CPA  
16133 Ventura Blvd.  
Suite 450  
Encino, CA 91436  
(818) 789-0265 ext. 12

**Investor Relations Consultant:**

None

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

None

**Schedule of Exhibits**

<b><u>Exhibit No.</u></b>	<b><u>Description of Exhibit</u></b>
5.1	Financial Statements of Cartel Blue, Inc. for the Quarterly period ended October 31, 2016 will be posted to OTC Markets, Inc. concurrently herewith

## **Item 10. Issuer Certification**

I, David Rhodes, President of Cartel Blue, Inc. hereby certify that:

1. I have reviewed the Quarterly Information Disclosure Statement of Cartel Blue, Inc. for the Quarterly period ended October 31, 2016.

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 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, and for, the periods presented in this Issuer's Quarterly Information Disclosure Statement.

Date: December 13, 2016

/s/ David Rhodes

David Rhodes, President