

# 2013

2<sup>nd</sup> Quarter Report

Financial Statements and Footnotes for the Quarter Ended June 30, 2013

Prescribed by OTC Pink Basic Disclosure Guidelines

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THE GREAT AMERICAN FOOD CHAIN, INC.

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**THE GREAT AMERICAN FOOD CHAIN, INC.**  
**Balance Sheets for the Quarter Ended June 30, 2013**  
**(Unaudited)**

ASSETS	Quarter Ended 6/30/13
<u>Current Assets:</u>	
Cash	\$18,535
Accounts Receivable	39,996
Inventory	15,736
Prepays & Other Current Assets	37,105
	<u>111,371</u>
<u>Long-Term Assets:</u>	
Fixed Assets - Net	105,849
Intangible Assets - Net	226,366
Other	2,042
	<u>334,257</u>
 Total Assets	 <u><u>\$445,628</u></u>
 LIABILITIES & EQUITY	
<u>Current Liabilities:</u>	
Accounts Payable	\$313,417
Accounts Payable - Related Parties	150,460
Accrued Expenses	1,476,941
Accrued Expenses - Related Parties	378,629
Accrued Litigation Payable	105,000
Convertible Notes Payable, Net of Discount (in default)	290,039
Derivative Liability	19,095
Notes Payable to Stockholder	830,550
Notes Payable (in default)	706,646
Total Liabilities	<u>4,270,777</u>
 Commitments and Contingencies	 <u><u>83,000</u></u>
<u>Equity:</u>	
Common Stock (100,000,000 shares authorized, \$.001 par value, 7,630,747 issued and outstanding at March 31, 2013)	7,631
Additional Paid in Capital	976,024
Non-Controlling Interest	95,893
Accumulated Deficit	-4,987,697
Total Equity	<u>-3,908,150</u>
 Total Liabilities and Equity	 <u><u>\$445,628</u></u>

*See notes to unaudited financial statements*  
**THE GREAT AMERICAN FOOD CHAIN, INC.**  
**Income Statement for the Quarter Ending June 30, 2013**  
**(Unaudited)**

	Quarter Ended 06/30/13
<u>Revenues:</u>	
Company Sales	\$511,257
Franchise & License Fees and Income	\$21,812
	<u>\$533,069</u>
<u>Cost of Operations:</u>	
Food, Beverage and Paper	\$177,487
Payroll and Employee Benefits	\$202,643
Occupancy and Other Operating	\$95,368
	<u>\$475,498</u>
Gross Profit	\$57,571
General & Administrative	<u>\$69,300</u>
Net Operating Loss	-\$11,729
<u>Other (Income) Expense</u>	
Interest Expense	\$59,048
(Gain)/Loss on Change in Derivative Liability	\$0
Other Income	-\$1,094
	<u>\$57,954</u>
Net Loss Before Non-Controlling Interest	-\$69,683
Non-Controlling Interest in Loss of Consolidated Subsidiaries	-\$13,937
Net Income (Loss)	-\$55,746
Earnings Per Share, Basic and Diluted	(\$0.01)
Weighted Average Number of Shares Outstanding	7,455,318

*See notes to unaudited financial statements*

**THE GREAT AMERICAN FOOD CHAIN, INC.**  
**Statement of Stockholder's Equity**  
**For the Quarter Ended June 30, 2013**  
**(Unaudited)**

	Common Stock Shares	Common Stock Amount	Additional Paid in Capital	Non - Controlling Interest	Accumulated Deficit	Total Stockholder's Equity
Balances on March 31, 2013	7,630,747	\$7,631	\$976,024	\$109,829	(\$4,931,951)	(\$3,838,467)
Net Loss (unaudited)				(\$13,937)	(\$55,746)	(\$69,683)
Balances on June 30, 2013	7,630,747	\$7,631	\$976,024	\$95,893	(\$4,987,697)	(\$3,908,150)

*See notes to unaudited financial statements*

**THE GREAT AMERICAN FOOD CHAIN, INC.**  
**Statement of Cash Flows for the Quarter Ended June 30, 2013**  
**(Unaudited)**

	Quarter Ended 6/31/2013
<u>Cash Flow from Operating Activities</u>	
Net Income	(\$69,683)
Non-Controlling Interest Net Loss	(13,937)
Adjustments to reconcile Net Loss to Net Cash	
Provided by (used in) Operating Activities:	
Depreciation & Amortization	(27,785)
(Increase)/Decrease in:	
Accounts Receivable	(8,211)
Inventory	317
Prepays & Assets	(7,383)
Other Assets	12,625
Accounts Payable	(21,939)
Accrued Expenses	108,761
Convertible Notes Payable	(5,048)
<i>Net Cash Provided by Operating Activities</i>	<u>(32,282)</u>
<u>Cash Flow from Financing Activities</u>	
Proceeds from Notes Payable	28,883
Proceeds from Notes Payable to Related Parties	0
Net cash provided by Financing Activities	<u>28,883</u>
Net cash increase (decrease) for period	(3,399)
Cash at beginning of period	21,934
Cash at end of period	<u>\$18,535</u>

*See notes to unaudited financial statements*

**THE GREAT AMERICAN FOOD CHAIN, INC.**  
**Notes to Financial Statements**  
**(Unaudited)**  
**June 30, 2013**

**1. Organization, Description of the Business and Basis of Accounting**

**a. Business Organization**

The Company is a Nevada corporation.

**b. Description of the Business**

The Company was formed in 2001 for the purpose of acquiring existing restaurants. In March, 2003, the Company became Xtranet Systems, Inc. through an acquisition that was accounted for as a reverse merger. The Company then changed the name of Xtranet to The Great American Food Chain.

**c. Accounting Basis**

These unaudited financial statements have been prepared on the accrual basis of accounting following generally accepted accounting principles.

These unaudited financial statements have been presented on the basis of its ability to become a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. While the Company expected to successfully complete and execute its plan, its ability to satisfy its obligations when due was dependent upon arranging adequate debt and/or equity financing until sufficient profitability and cash flow from operations can be achieved.

**2. Financial Statement Footnote Disclosures**

Please refer to the Financial Statements for the Years Ended December 31, 2012 and 2011 for full footnote disclosures. These statements are posted separately on the OTC Markets portal.

**3. Subsequent Events**

None

**THE GREAT AMERICAN FOOD CHAIN, INC.**  
**June 30, 2013**

The Directors of the Company are:

- Edward Sigmond - Chairman of the Board

Officers of the Company:

- Edward Sigmond – Chief Executive Officer
- Mike Torino – Vice President
- Michael Welch – Chief Financial Officer

**THE GREAT AMERICAN FOOD CHAIN, INC.**  
**June 30, 2013**

**Certification**

I, Edward Sigmond, as Chief Executive Officer/Director, of The Great American Food Chain, Inc. ("the Company") certify that:

1. I have reviewed these unaudited quarterly Financial Statements for the Company for the Quarter ended June 30, 2013.
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.
3. Based upon my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this disclosure document.

Date: August 15, 2013

/s/Edward Sigmond

Edward Sigmond

Chief Executive Officer/Director