

INTERNATIONAL SPIRIT & BEVERAGE GROUP, INC.
(Formerly FIMA, INC.)
(A Nevada Corporation)

FINANCIAL STATEMENTS
(UNAUDITED)
For the Years Ended December 31, 2015 and 2014

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INTERNATIONAL SPIRIT & BEVERAGE GROUP, INC. (Formerly Fima, Inc.)
BALANCE SHEETS
(Unaudited)

	December 31, 2015	December 31, 2014
ASSETS		
Current assets:		
Cash	\$ 2,354	\$ -
Accounts receivable	70,800	-
Inventory	145,562	-
Prepaid expenses	203,103	-
Total current assets	421,819	-
Property and equipment, net	8,050	-
Total assets	\$ 429,869	\$ -
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	\$ 42,188	\$ -
Accrued expenses	73,762	990
Convertible notes payable, related parties	-	9,364
Convertible notes payable, net of discounts of \$294,513 and \$-0- at December 31, 2015 and 2014, respectively	570,223	-
Total current liabilities	686,173	10,354
Stockholders' equity (deficit):		
Preferred stock, \$0.00001 par value, 50,000,000 shares authorized, 1,000,000 and -0- shares issued and outstanding at December 31, 2015 and 2014, respectively	10	-
Common stock, \$0.00001 par value, 2,950,000,000 shares authorized, 616,872,597 and 571,458,097 shares issued and outstanding at December 31, 2015 and 2014, respectively	6,169	5,715
Additional paid in capital	3,406,589	1,936,715
Subscriptions payable, consisting of 116,082,353 shares at December 31, 2015	1,003,967	-
Accumulated deficit	(4,673,039)	(1,952,784)
Total stockholders' equity (deficit)	(256,304)	(10,354)
Total liabilities and stockholders' equity (deficit)	\$ 429,869	\$ -

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

INTERNATIONAL SPIRIT & BEVERAGE GROUP, INC. (Formerly Fima, Inc.)
STATEMENTS OF OPERATIONS
(Unaudited)

	For the Years Ended December 31,	
	2015	2014
Revenue	\$ 100,800	\$ -
Cost of goods sold	65,000	-
Gross profit	35,800	-
Operating expenses:		
General and administrative	657,957	7,463
Compensation	273,186	-
Professional fees	1,236,008	93,603
Depreciation	1,098	-
Total operating expenses	2,168,249	101,066
Net operating loss	(2,132,449)	(101,066)
Other income (expense):		
Interest income	81	-
Interest expense	(217,062)	(1,412)
Gain on early extinguishment of debt	-	45,172
Total other income (expenses)	(216,981)	43,760
Net loss	\$ (2,349,430)	\$ (57,306)
Weighted average number of common shares outstanding - basic and fully diluted	424,942,349	559,800,563
Net loss per share - basic and fully diluted	\$ (0.01)	\$ (0.00)

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

INTERNATIONAL SPIRIT & BEVERAGE GROUP, INC. (Formerly Fima, Inc.)
STATEMENT OF STOCKHOLDERS' EQUITY (DEFICIT)
(Unaudited)

	Preferred Stock		Common Stock		Additional Paid-In Capital	Subscriptions Payable	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balance, December 31, 2013	-	\$ -	523,958,097	\$ 5,240	\$1,755,190	\$ 90,000	\$(1,895,478)	\$ (45,048)
Common stock issued for services	-	-	65,000,000	650	181,350	(90,000)	-	92,000
Common stock voluntarily cancelled	-	-	(17,500,000)	(175)	175	-	-	-
Net loss for the year ended December 31, 2014	-	-	-	-	-	-	(57,306)	(57,306)
Balance, December 31, 2014	-	\$ -	571,458,097	\$ 5,715	\$1,936,715	\$ -	\$(1,952,784)	\$ (10,354)
Preferred stock issued for services	1,000,000	10	-	-	139,790	-	-	139,800
Common stock sold for cash	-	-	-	-	-	1,003,967	-	1,003,967
Common stock issued for conversion of debt	-	-	189,264,500	1,893	1,235	-	-	3,128
Common stock issued for services	-	-	97,000,000	970	600,430	-	-	601,400
Common stock issued for services	-	-	40,000,000	400	247,600	-	-	248,000
Common stock voluntarily cancelled	-	-	(280,850,000)	(2,809)	2,809	-	-	-
Beneficial conversion feature of convertible note	-	-	-	-	478,010	-	-	478,010
Equity acquired in merger	-	-	-	-	-	-	(370,825)	(370,825)
Net loss for the year ended December 31, 2015	-	-	-	-	-	-	(2,349,430)	(2,349,430)
Balance, December 31, 2015	1,000,000	\$ 10	616,872,597	\$ 6,169	\$3,406,589	\$ 1,003,967	\$(4,673,039)	\$ (256,304)

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

INTERNATIONAL SPIRIT & BEVERAGE GROUP, INC. (Formerly Fima, Inc.)
CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited)

	For the Years Ended December 31,	
	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (2,349,430)	\$ (57,306)
Accumulated deficit acquired in merger	(370,825)	-
Adjustments to reconcile net loss to net cash used in operating activities:		
Gain on early extinguishment of debt	-	(45,172)
Depreciation	1,098	-
Amortization of debt discounts	183,497	-
Assumed convertible debt	265,000	-
Stock based compensation, related parties	741,200	-
Stock based compensation	248,000	92,000
(Decrease) increase in assets:		
Accounts receivable	(70,800)	-
Inventory	(145,562)	-
Prepaid expenses	(203,103)	-
Increase (decrease) in liabilities:		
Accounts payable	42,188	8,616
Accrued expenses	72,772	1,862
Net cash used in operating activities	<u>(1,585,965)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(9,148)	-
Net cash used in investing activities	<u>(9,148)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from notes payable, related parties	274,455	-
Repayments on notes payable, related parties	(274,455)	-
Proceeds from convertible notes payable	593,500	-
Proceeds from the sale of common stock and subscriptions payable	1,003,967	-
Net cash provided by financing activities	<u>1,597,467</u>	<u>-</u>
NET CHANGE IN CASH	2,354	-
CASH AT BEGINNING OF PERIOD	<u>-</u>	<u>-</u>
CASH AT END OF PERIOD	<u>\$ 2,354</u>	<u>\$ -</u>
SUPPLEMENTAL INFORMATION:		
Interest paid	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>
NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Discount on beneficial conversion feature	<u>\$ 478,010</u>	<u>\$ -</u>
Value of shares issued for conversion of debt	<u>\$ 2,500</u>	<u>\$ -</u>

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

International Spirit & Beverage Group, Inc.
(Formerly FIMA, Inc.)
Notes to Condensed Financial Statements
(Unaudited)

Note 1 – Basis of Presentation and Significant Accounting Policies

Business

International Spirit & Beverage Group, Inc. (“ISBG”) was formed under the laws of the State of Texas on September 12, 2014. In March 2015, ISBG merged with and into FIMA, Inc., a Nevada corporation, with FIMA, Inc. being the surviving entity. FIMA, Inc. then changed its corporate name to International Spirit and Beverage Group, Inc., and remains a Nevada corporation. (Formerly FIMA Development Incorporated, which was formed under the laws of the State of Nevada on September 18, 2006). On May 9, 2007 FIMA Development Incorporated entered into a “Share Exchange Agreement” with Fishing Buddy Inc. (FBI), another Nevada corporation. FIMA Development Incorporated agreed to sell all of their shares to FBI in exchange for Nineteen Million Five Hundred Thousand (19,500,000) shares of FBI common stock. FBI, after acquiring the stock of FIMA Development Incorporated, then filed a Corporate Resolution and Certificate of Amendment with the State of Nevada on May 10, 2007 to change the Corporation’s name to FIMA, Inc. (the “Company” or “FIMA”). FIMA’s primary business was that of real estate development and acquisition, with a focus on resort regions in Central America and Mexico. The Company also made investments in private or public companies by way of equity or debt, and in 2014 concluded the purchase of an equity interest in American Eagle Operating LLC, a private oil production and exploration company headquartered in Texas.

Basis of Presentation

The accompanying unaudited, condensed financial statements of International Spirit & Beverage Group, Inc. (“the Company”) have been prepared pursuant to rules and regulations of the Securities and Exchange Commission (“SEC”) and, therefore, do not include all information and footnote disclosures normally included in audited financial statements. However, these statements reflect all adjustments, consisting of normal recurring adjustments, which in the opinion of management are necessary for fair presentation of the information contained therein.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and the 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 from those estimates.

Cash and Cash Equivalents

The Company maintains cash balances in non-interest-bearing accounts, which do not currently exceed federally insured limits. For the purpose of the statements of cash flows, all highly liquid investments with an original maturity of three months or less are considered to be cash equivalents.

Fair Value of Financial Instruments

Under FASB ASC 820-10-05, the Financial Accounting Standards Board establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. This Statement reaffirms that fair value is the relevant measurement attribute. The adoption of this standard did not have a material effect on the Company’s financial statements as reflected herein. The carrying amounts of cash, prepaid expenses and accrued expenses reported on the balance sheet are estimated by management to approximate fair value primarily due to the short term nature of the instruments.

Basic and Diluted Loss Per Share

The basic net loss per common share is computed by dividing the net loss by the weighted average number of common shares outstanding. Diluted net loss per common share is computed by dividing the net loss adjusted on an “as if converted” basis, by the weighted average number of common shares outstanding plus potential dilutive securities. For the periods presented, potential dilutive securities had an anti-dilutive effect and were not included in the calculation of diluted net loss per common share.

International Spirit & Beverage Group, Inc.
(Formerly FIMA, Inc.)
Notes to Condensed Financial Statements
(Unaudited)

Note 1 – Basis of Presentation and Significant Accounting Policies (Continued)

Stock-Based Compensation

Under FASB ASC 718-10-30-2, all share-based payments to employees, including grants of employee stock options, to be recognized in the income statement based on their fair values. Pro forma disclosure is no longer an alternative. The Company's stock based compensation expense was \$989,200 and \$92,000 for the years ended December 31, 2015 and 2014, respectively.

Revenue Recognition

Sales on product shipments are recorded when products are delivered, the earnings process is complete or substantially complete, and the revenue is measurable and collectability is reasonably assured. Provisions for discounts and rebates to customers, estimated returns and allowances, and other adjustments are provided for in the same period the related sales are recorded. The Company defers any revenue from sales in which payment has been received, but the earnings process has not occurred. Amounts billed in advance of the period in which service is rendered are recorded as a liability under "Deferred revenues".

Advertising and Promotion

All costs associated with advertising and promoting products are expensed as incurred. These expenses were \$451,468 and \$2,100 for the years ended December 31, 2015 and 2014, respectively.

Comprehensive Income

FASB ASC 220 establishes standards for report and display of comprehensive income, its components and accumulated balances. Comprehensive income is defined to include all changes in equity except those resulting from investments by owners and distributions to owners. Among other disclosures, FASB ASC 220 requires that all items that are required to be recognized under current accounting standards as components of comprehensive income be reported in a financial statement that is displayed with the same prominence as other financial statements.

Income Taxes

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 bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. A valuation allowance is provided for significant deferred tax assets when it is more likely than not, that such asset will not be recovered through future operations.

Uncertain Tax Positions

In accordance with ASC 740, "Income Taxes" ("ASC 740"), the Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be capable of withstanding examination by the taxing authorities based on the technical merits of the position. These standards prescribe a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. These standards also provide guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition.

Various taxing authorities periodically audit the Company's income tax returns. These audits include questions regarding the Company's tax filing positions, including the timing and amount of deductions and the allocation of income to various tax jurisdictions. In evaluating the exposures connected with these various tax filing positions, including state and local taxes, the Company records allowances for probable exposures. A number of years may elapse before a particular matter, for which an allowance has been established, is audited and fully resolved. The Company has not yet undergone an examination by any taxing authorities.

The assessment of the Company's tax position relies on the judgment of management to estimate the exposures associated with the Company's various filing positions.

International Spirit & Beverage Group, Inc.
(Formerly FIMA, Inc.)
Notes to Condensed Financial Statements
(Unaudited)

Note 1 – Basis of Presentation and Significant Accounting Policies (Continued)

Recent Accounting Pronouncements

In August, 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments* (a consensus of the Emerging Issues Task Force). This ASU is effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Early adoption is permitted, including adoption in an interim period. If an entity early adopts the amendments in an interim period, any adjustments should be reflected as of the beginning of the fiscal year that includes that interim period. An entity that elects early adoption must adopt all of the amendments in the same period. The Company is evaluating the impact of this ASU on the Company’s financial statements.

In June, 2016, the FASB issued ASU No. 2016-13, *Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. For public business entities that are U.S. Securities and Exchange Commission (SEC) filers, the amendments in this Update are effective for fiscal years beginning after December 15, 2019, including interim periods within those fiscal years. For all other public business entities, the amendments in this Update are effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. For all other entities, including not-for-profit entities and employee benefit plans within the scope of Topics 960 through 965 on plan accounting, the amendments in this Update are effective for fiscal years beginning after December 15, 2020, and interim periods within fiscal years beginning after December 15, 2021. All entities may adopt the amendments in this Update earlier as of the fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company is evaluating the impact of this ASU on the Company’s financial statements.

In March 2016, the FASB issued ASU No. 2016-09, *Improvements to Employee Share-Based Payment Accounting (Topic 718)* (“ASU 2016-09”). The provisions of the update amend ASC Topic 718, Compensation – Stock Compensation, and includes provisions intended to simplify various aspects related to how share-based payments are accounted for and presented in the financial statements, including accounting for the income tax consequences, estimates of forfeitures and classification of excess tax benefits on the statement of cash flows. For public business entities, this update is effective for fiscal years beginning after December 15, 2016, including interim periods. The Company is evaluating the impact of this ASU on the Company’s financial statements.

In March, 2016, the FASB issued ASU No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net)*. The amendments in this Update affect the guidance in Accounting Standards Update 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which is not yet effective. The effective date and transition requirements for the amendments in this Update are the same as the effective date and transition requirements of Update 2014-09. Accounting Standards Update No. 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*, defers the effective date of Update 2014-09 by one year. The Company is evaluating the impact of this ASU on the Company’s financial statements.

In March, 2016, the FASB issued ASU No. 2016-07, *Investments—Equity Method and Joint Ventures (Topic 323): Simplifying the Transition to the Equity Method of Accounting*. This ASU is effective for all entities for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2016. The amendments should be applied prospectively upon their effective date to increases in the level of ownership interest or degree of influence that result in the adoption of the equity method. Earlier application is permitted. The Company is evaluating the impact of this ASU on the Company’s financial statements.

International Spirit & Beverage Group, Inc.
(Formerly FIMA, Inc.)
Notes to Condensed Financial Statements
(Unaudited)

Note 1 – Basis of Presentation and Significant Accounting Policies (Continued)

In March, 2016, the FASB issued ASU No. 2016-04, *Liabilities—Extinguishments of Liabilities (Subtopic 405-20): Recognition of Breakage for Certain Prepaid Stored-Value Products* (a consensus of the Emerging Issues Task Force). This ASU is effective for public business entities, certain not-for-profit entities, and certain employee benefit plans for financial statements issued for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. For all other entities, effective for financial statements issued for fiscal years beginning after December 15, 2018, and interim periods within fiscal years beginning after December 15, 2019. Earlier application is permitted, including adoption in an interim period. The Company is evaluating the impact of this ASU on the Company's financial statements.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02"), which is intended to improve financial reporting about leasing transactions. ASU 2016-02 requires a lessee to record on the balance sheet the assets and liabilities for the rights and obligations created by lease terms of more than 12 months. This standard will be effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The Company is evaluating the impact of this ASU on the Company's financial statements.

There are no other recently issued accounting pronouncements that the Company has yet to adopt that are expected to have a material effect on its financial position, results of operations, or cash flows.

Note 2 – Going Concern

As shown in the accompanying financial statements, the Company has insufficient cash on hand, a working capital deficit of \$264,354 and incurred net losses from operations resulting in an accumulated deficit of \$4,673,039, and used \$1,585,965 of cash from operations during the year ended December 31, 2015. These factors raise substantial doubt about the Company's ability to continue as a going concern. The Company is currently seeking additional sources of capital to fund short term operations. The Company, however, is dependent upon its ability to secure equity and/or debt financing and there are no assurances that the Company will be successful; therefore, without sufficient financing it would be unlikely for the Company to continue as a going concern.

The financial statements do not include any adjustments that might result from the outcome of any uncertainty as to the Company's ability to continue as a going concern. The financial statements also do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern.

Note 3 – Business Combinations

On March 6, 2015, International Spirit and Beverage Group, Inc., a Texas corporation, merged with and into FIMA, Inc., a Nevada corporation, with FIMA, Inc. being the surviving entity. FIMA, Inc. then changed its corporate name to International Spirit and Beverage Group, Inc., and remains a Nevada corporation.

International Spirit & Beverage Group, Inc.
(Formerly FIMA, Inc.)
Notes to Condensed Financial Statements
(Unaudited)

Note 4 – Related Parties

Preferred Stock Issuance

On March 6, 2015, the Company issued 1,000,000 shares of Series E Preferred Stock to Alonzo Pierce, the Company's President and Chairman of the Board for services provided. No preferred shares were issued during the year ended December 31, 2014.

Common Stock Issuances for Services

On November 23, 2015, the Company issued a total of 97 million shares of common stock to Top Shelf Brands Holdings for services provided. Alonzo Pierce, the Company's President and Chairman of the Board, is also affiliated with Top Shelf Brands Holdings. The total fair value of the common stock was \$601,400 based on the closing price of the Company's common stock on the date of grant. The shares were subsequently cancelled and returned to treasury on July 12, 2016.

Common Stock Cancellations

On January 26, 2015, Marco G. Chavez cancelled a total of 280,850,000 shares of common stock and returned them to treasury in exchange for a \$265,000 convertible promissory note, bearing interest at 3% per annum, which matures on January 31, 2016. Alonzo Pierce, the Company's President and Chairman of the Board, is also a holder of the promissory note.

Note 5 – Fair Value of Financial Instruments

Under FASB ASC 820-10-5, 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 (an exit price). The standard outlines a valuation framework and creates a fair value hierarchy in order to increase the consistency and comparability of fair value measurements and the related disclosures. Under GAAP, certain assets and liabilities must be measured at fair value, and FASB ASC 820-10-50 details the disclosures that are required for items measured at fair value.

The Company has certain financial instruments that must be measured under the new fair value standard. The Company's financial assets and liabilities are measured using inputs from the three levels of the fair value hierarchy. The three levels are as follows:

Level 1 - Inputs are unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.

Level 2 - Inputs include quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability (e.g., interest rates, yield curves, etc.), and inputs that are derived principally from or corroborated by observable market data by correlation or other means (market corroborated inputs).

Level 3 - Unobservable inputs that reflect our assumptions about the assumptions that market participants would use in pricing the asset or liability.

International Spirit & Beverage Group, Inc.
(Formerly FIMA, Inc.)
Notes to Condensed Financial Statements
(Unaudited)

Note 5 – Fair Value of Financial Instruments (Continued)

The following schedule summarizes the valuation of financial instruments at fair value on a recurring basis in the balance sheets as of December 31, 2015 and 2014, respectively:

	Fair Value Measurements at December 31, 2015		
	Level 1	Level 2	Level 3
Assets			
Cash	\$ 2,354	\$ -	\$ -
Total assets	2,354	-	-
Liabilities			
Convertible note payable, net of discounts	-	570,223	-
Total liabilities	-	570,223	-
	\$ 2,354	\$ (570,223)	\$ -

	Fair Value Measurements at December 31, 2014		
	Level 1	Level 2	Level 3
Assets			
None	\$ -	\$ -	\$ -
Total assets	-	-	-
Liabilities			
Convertible note payables payable	-	9,364	-
Total liabilities	-	9,364	-
	\$ -	\$ (9,364)	\$ -

The fair values of our related party debts are deemed to approximate book value, and are considered Level 2 inputs as defined by ASC Topic 820-10-35.

There were no transfers of financial assets or liabilities between Level 1, Level 2 and Level 3 inputs for the years ended December 31, 2015 or December 31, 2014.

International Spirit & Beverage Group, Inc.
(Formerly FIMA, Inc.)
Notes to Condensed Financial Statements
(Unaudited)

Note 6 – Convertible Notes Payable, Related Parties

Convertible notes payable, related parties consists of the following at December 31, 2015 and 2014, respectively:

	December 31, 2015	December 31, 2014
On December 10, 2013, we entered into a Consolidated Convertible Note Agreement with our former CEO, Don Morrison (“First Morrison Note”), pursuant to which we settled \$5,764 of outstanding accounts payable owed to Mr. Morrison in exchange for a convertible promissory note bearing interest at 10% per annum. The Note had a maturity date of January 10, 2015, and is convertible at the lesser of (i) \$0.00001 per share or (ii) fifty percent (50%) of the average closing bid price for the Company’s common stock over the ten (10) trading days immediately preceding (a) the Holder’s receipt of shares pursuant to such Conversion or payment, or (b) Notice of such Conversion. The shares of common stock issuable upon conversion of the Note will be restricted securities as defined in Rule 144 promulgated under the Securities Act of 1933. The Note can be prepaid by us at a 150% premium after one year from the origination date of the note with a thirty (30) day written notice. The note holder sold and assigned \$1,000 of the note to a third party who subsequently converted 50 million shares on March 10, 2015 and another 50 million shares on March 11, 2015. The debenture was sold and assigned to ODM, LLC on January 26, 2015 (“First ODM Note”).	\$ -	\$ 9,364

First Morrison Note

On December 10, 2013, we entered into a Consolidated Convertible Note Agreement with Don Morrison, our former CEO, pursuant to which we settled \$5,764 of outstanding accounts payable owed to Mr. Morrison in exchange for a convertible promissory note bearing interest at 10% per annum. The First Morrison Note had a maturity date of January 10, 2015 and is currently in default, and is convertible at the lesser of (i) \$0.00001 per share or (ii) fifty percent (50%) of the average closing bid price for the Company’s common stock over the ten (10) trading days immediately preceding (a) the Holder’s receipt of shares pursuant to such Conversion or payment, or (b) Notice of such Conversion.

The shares of common stock issuable upon conversion of the First Morrison Note are restricted securities as defined in Rule 144 promulgated under the Securities Act of 1933. The issuance of the First Morrison Note was exempt from the registration requirements of the Securities Act of 1933 pursuant to Rule 506 of Regulation D promulgated thereunder. The purchaser was an accredited and sophisticated investor, familiar with our operations, and there was no solicitation.

The Company evaluated the First Morrison Note and determined that the shares issuable pursuant to the conversion option were determinate due to the Fixed Conversion Price and, as such, did not constitute a derivative liability.

International Spirit & Beverage Group, Inc.
(Formerly FIMA, Inc.)
Notes to Condensed Financial Statements
(Unaudited)

Note 7 – Convertible Notes Payable

Convertible notes payable consist of the following at December 31, 2015 and 2014, respectively:

	December 31, 2015	December 31, 2014
On December 15, 2015, we entered into a Convertible Debenture with TB Financial, LLC (“First TB Note”). The Note bears interest at 8%, with a maturity date of December 15, 2016, is convertible at 50% of the lowest traded price over the ten (10) trading days preceding the conversion notice. The note is currently in default.	\$ 5,000	\$ -
On December 14, 2015, we entered into a Convertible Debenture with an individual investor (“First Odom Note”). The Note bears interest at 8%, with a maturity date of December 14, 2017, is convertible at 50% of the lowest traded price over the ten (10) trading days preceding the conversion notice.	17,500	-
On December 2, 2015, we entered into a Convertible Debenture with ValueCorp Trading Co (“Third ValueCorp Note”). The Note bears interest at 10%, with a maturity date of December 2, 2016, and is convertible at the lesser of a) \$0.01 per share or b) 50% of the closing bid price at the time of conversion. The note is currently in default.	12,500	-
On November 13, 2015, we entered into a Convertible Debenture with LOMA Management Partners (“Third LOMA Note”). The Note bears interest at 10%, with a maturity date of November 13, 2016, and is convertible at the lesser of a) \$0.01 per share or b) 50% of the lowest bid price over the fifteen (15) trading days preceding the conversion notice. The note is currently in default.	30,000	-
On November 4, 2015, we entered into a Convertible Debenture with BB Winks, LLC (“Second BB Winks Note”). The Note bears interest at 10%, with a maturity date of November 4, 2016, and is convertible at the lesser of a) \$0.01 per share or b) 50% of the current bid price at the time of conversion, but not less than \$0.0001 per share. The note is currently in default.	5,000	-
On October 20, 2015, we entered into a Convertible Debenture with BB Winks, LLC (“First BB Winks Note”). The Note bears interest at 10%, with a maturity date of October 20, 2016, and is convertible at the lesser of a) \$0.01 per share or b) 50% of the current bid price at the time of conversion, but not less than \$0.0001 per share. The note is currently in default.	15,000	-
On October 14, 2015, we entered into a Convertible Debenture with Post Oak, LLC (“Second Post Oak Note”). The Note bears interest at 8%, with a maturity date of October 14, 2016, and is convertible at the lesser of a) \$0.01 per share or b) 50% of the lowest bid price over the fifteen (15) trading days preceding the conversion notice. The note is currently in default.	45,000	-
On October 10, 2015, we entered into a Convertible Debenture with Carriage Consulting Group (“First CCG Note”). The Note bears interest at 10%, with a maturity date of October 10, 2016, and is convertible at the lesser of a) \$0.01 per share or b) 50% of the closing bid price at the time of conversion. The note is currently in default.	30,000	-

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On September 14, 2015, we entered into a Convertible Debenture with ValueCorp Trading Co (“Second ValueCorp Note”). The Note bears interest at 10%, with a maturity date of September 15, 2016, and is convertible at the lesser of a) \$0.01 per share or b) 50% of the closing bid price at the time of conversion. The note is currently in default.	8,000	-
On September 3, 2015, we entered into a Convertible Debenture with Post Oak, LLC (“Second Post Oak Note”). The Note bears interest at 8%, with a maturity date of September 3, 2016, and is convertible at the lesser of a) \$0.01 per share or b) 50% of the lowest bid price over the fifteen (15) trading days preceding the conversion notice. The note is currently in default.	250,000	-
On July 17, 2015, we entered into a Convertible Debenture with an individual investor (“Second Fischer Note”). The Note bears interest at 10%, with a maturity date of July 17, 2016, is convertible at 50% of the lowest bid price on the date immediately preceding the conversion notice. The note is currently in default.	2,500	-
On July 15, 2015, we entered into a Convertible Debenture with an individual investor (“First Fischer Note”). The Note bears interest at 10%, with a maturity date of July 15, 2016, is convertible at 50% of the lowest bid price on the date immediately preceding the conversion notice. The note is currently in default.	2,500	-
On June 30, 2015, we entered into a Convertible Debenture with an individual investor (“Second Roth Note”). The Note bears interest at 10%, with a maturity date of June 30, 2016, is convertible at 50% of the lowest bid price on the date immediately preceding the conversion notice. The note is currently in default.	5,000	-
On June 29, 2015, we entered into a Convertible Debenture with Strategic Tactical Asset Trading, LLC (“First STAT Note”). The Note bears interest at 10%, with a maturity date of June 29, 2016, and is convertible at 50% of the lowest bid price on the date immediately preceding the conversion notice. The note is currently in default.	5,000	-
On May 15, 2015, we entered into a Convertible Debenture with LOMA Management Partners (“Second LOMA Note”). The Note bears interest at 8%, with a maturity date of November 15, 2015, and is convertible at the lesser of a) \$0.01 per share or b) 50% of the lowest bid price over the fifteen (15) trading days preceding the conversion notice. The note is currently in default.	80,000	-
On May 5, 2015, we entered into a Convertible Debenture with LOMA Management Partners (“Second LOMA Note”). The Note bears interest at 8%, with a maturity date of November 5, 2015, and is convertible at the lesser of a) \$0.01 per share or b) 50% of the lowest bid price over the fifteen (15) trading days preceding the conversion notice. The note is currently in default.	20,000	-
On April 27, 2015, we entered into a Convertible Debenture with ValueCorp Trading Co (“First ValueCorp Note”). The Note bears interest at 10%, with a maturity date of April 27, 2016, and is convertible at the lesser of a) \$0.01 per share or b) 50% of the closing bid price at the time of conversion. On various dates between May 11, 2016 and May 19, 2016, then lender converted a total of \$13,268, consisting of \$12,000 of principal and \$1,268 of interest, in exchange for an aggregate of 99,487,350 shares of common stock in full settlement of the note.	12,000	-

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On April 27, 2015, we entered into a Convertible Debenture with an individual investor ("First Goodkin Note"). The Note bears interest at 10%, with a maturity date of April 27, 2016, is convertible at 50% of the lowest bid price on the date immediately preceding the conversion notice. The note is currently in default.	15,000	-
On April 8, 2015, we entered into a Convertible Debenture with an individual investor ("First Roth Note"). The Note bears interest at 10%, with a maturity date of April 8, 2016, is convertible at 50% of the lowest bid price on the date immediately preceding the conversion notice. On February 9, 2016, the lender converted \$250 principal for 25 million shares of common stock. The note is currently in default.	2,500	-
On March 20, 2015, we entered into a Convertible Debenture with an individual investor ("Second Rosenthal Note"). The Note bears interest at 10%, with a maturity date of March 20, 2016, is convertible at 50% of the lowest bid price on the date immediately preceding the conversion notice. The note is currently in default.	8,500	-
On March 6, 2015, we entered into a Convertible Debenture with MVD Group, LLC ("First MVD Note"). The Note bears interest at 12%, with a maturity date of March 6, 2016, and is convertible at the greater of a) \$0.0001 per share or b) 50% of the lowest bid price over the ten (10) days immediately preceding the conversion notice. The note is currently in default.	10,000	-
On February 23, 2015, we entered into a Convertible Debenture with an individual investor ("First Rosenthal Note"). The Note bears interest at 10%, with a maturity date of February 23, 2016, is convertible at 50% of the lowest bid price on the date immediately preceding the conversion notice. The note is currently in default.	12,500	-
On January 26, 2015, we entered into an Amended and Restated Convertible Debenture with Marco Garduno Chavez and Alonzo Pierce, the Company's President and Chairman of the Board, to amend and restate the convertible debenture issued to Plus Odds, Inc. ("First Chavez-Pierce Note"), pursuant to which Mr. Chavez cancelled and returned to treasury a total of 280,850,000 shares of common stock in exchange for the convertible promissory note bearing interest at 3% per annum. The Note has a maturity date of January 31, 2016, and is convertible at the greater of (i) an amount equal to the volume weighted average price (the "VWAP") of the closing bid price on the trading day immediately preceding the conversion notice (up to \$50K convertible per day, providing the VWAP is not below \$0.50 per share) or (ii) fifty cents (\$0.50) per share. The note is currently in default.	265,000	-
On December 10, 2013, we entered into a Consolidated Convertible Note Agreement with our former CEO, Don Morrison ("First Morrison Note"), pursuant to which we settled \$9,364 of outstanding accounts payable owed to Mr. Morrison in exchange for a convertible promissory note bearing interest at 10% per annum. The Note had a maturity date of January 10, 2015, and is convertible at the lesser of (i) \$0.00001 per share or (ii) fifty percent (50%) of the average closing bid price for the Company's common stock over the ten (10) trading days immediately preceding (a) the Holder's receipt of shares pursuant to such Conversion or payment, or (b) Notice of such Conversion. The	6,236	-

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Note can be prepaid by us at a 150% premium after one year from the origination date of the note with a thirty (30) day written notice. The note holder sold and assigned the note to a third party ("First ODM Note") who subsequently converted a total of \$6,128 in exchange for an aggregate of 289,264,500 shares on various dates between March 10, 2015 and May 22, 2016. In addition, another \$1,000 of principal was sold and assigned to a third party (Blackbridge Note #1) on February 12, 2016. Currently in default.

Total convertible notes payable	864,736	-
Less unamortized debt discounts:		
Discount on beneficial conversion feature	294,513	-
Convertible notes payable	570,223	-
Less: current portion	570,223	-
Convertible notes payable, less current portion	\$ -	\$ -

The shares of common stock issuable upon conversion of the Notes listed above will be restricted securities as defined in Rule 144 promulgated under the Securities Act of 1933. The terms of each convertible note placed a "maximum share amount" on the note holder that can be owned as a result of the conversions to common stock by the note holder of 4.99% of the issued and outstanding shares of the Company.

The Company recognized interest expense for the years ended December 31, 2015 and 2014, respectively, as follows:

	December 31,	
	2015	2014
Interest on related party loans	\$ -	\$ 1,412
Interest on convertible notes	35,565	-
Amortization of beneficial conversion features of debts	183,497	-
Total interest expense	\$ 217,062	\$ 1,412

Note 8 – Changes in Stockholders' Equity (Deficit)

Preferred Stock, Series E

Pursuant to an amendment to the Company's Articles of Incorporation on March 6, 2015, the Company has 50,000,000 authorized shares of Preferred Stock, of which 1,000,000 shares of \$0.00001 par value Series E Preferred Stock ("Series E") have been designated and issued. The Series E ranks subordinate and junior to all of the Corporation's common stock, carries no dividends, has no liquidation participation rights and are not redeemable. The collective outstanding shares of Series E Preferred Stock are entitled to twice the number of votes of all outstanding shares of capital stock such that the holders of outstanding shares of Series E shares shall always constitute sixty-six and two thirds (66 2/3rds) of the voting rights of the Corporation. The holders of shares of Common Stock and Series E Preferred Stock shall vote together and not as separate classes.

On March 6, 2015, the Company issued 1,000,000 shares of Series E Preferred Stock to Alonzo Pierce, the Company's President and Chairman of the Board for services provided. No preferred shares were issued during the year ended December 31, 2014.

Common Stock

Pursuant to an amendment to the Company's Articles of Incorporation on July 15, 2016, the Company has 2,950,000,000 authorized shares of \$0.00001 par value Common Stock.

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Note 8 – Changes in Stockholders' Equity (Deficit) (Continued)

Common Stock Issuances for Debt Conversions

On November 4, 2015, the Company issued 12,500,000 shares of common stock pursuant to the conversion of \$313 of outstanding principal on the First Morrison Note. The \$313 of principal on the note was sold and assigned to a third party prior to conversion. The note was converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

On October 1, 2015, the Company issued 12,600,500 shares of common stock pursuant to the conversion of \$315 of outstanding principal on the First Morrison Note. The \$315 of principal on the note was sold and assigned to a third party prior to conversion. The note was converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

On August 24, 2015, the Company issued 14,164,000 shares of common stock pursuant to the conversion of \$1,000 of outstanding principal on the First Morrison Note. The \$1,000 of principal on the note was sold and assigned to a third party prior to conversion. The note was converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

On April 17, 2015, the Company issued 25,000,000 shares of common stock pursuant to the conversion of \$250 of outstanding principal on the First Morrison Note. The \$250 of principal on the note was sold and assigned to a third party prior to conversion. The note was converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

On April 13, 2015, the Company issued 25,000,000 shares of common stock pursuant to the conversion of \$250 of outstanding principal on the First Morrison Note. The \$250 of principal on the note was sold and assigned to a third party prior to conversion. The note was converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

On March 11, 2015, the Company issued 50,000,000 shares of common stock pursuant to the conversion of \$500 of outstanding principal on the First Morrison Note. The \$500 of principal on the note was sold and assigned to a third party prior to conversion. The note was converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

On March 10, 2015, the Company issued 50,000,000 shares of common stock pursuant to the conversion of \$500 of outstanding principal on the First Morrison Note. The \$500 of principal on the note was sold and assigned to a third party prior to conversion. The note was converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

Common Stock Issuances for Services

On November 23, 2015, the Company issued a total of 97 million shares of common stock to Top Shelf Brands Holdings for services provided. Alonzo Pierce, the Company's President and Chairman of the Board, is also affiliated with Top Shelf Brands Holdings. The total fair value of the common stock was \$601,400 based on the closing price of the Company's common stock on the date of grant.

On November 23, 2015, the Company issued a total of 40 million shares of common stock among three service providers for services rendered. The aggregate fair value of the common stock was \$248,000 based on the closing price of the Company's common stock on the date of grant.

Common Stock Cancellations

On January 26, 2015, Marco G. Chavez cancelled a total of 280,850,000 shares of common stock and returned them to treasury in exchange in exchange for a \$265,000 convertible promissory note, bearing interest at 3% per annum, which matures on January 31, 2016. Alonzo Pierce, the Company's President and Chairman of the Board, is also a holder of the promissory note.

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Note 8 – Changes in Stockholders' Equity (Deficit)

Subscriptions Payable

On May 22, 2015, the Company received \$7,500 from an accredited investor for the sale of 7,000,000 shares of the Company's common stock. The shares have not yet been issued.

On May 22, 2015, the Company received \$7,500 from another accredited investor for the sale of 7,000,000 shares of the Company's common stock. The shares have not yet been issued.

On April 30, 2015, the Company received \$961,967 from an Investment Agreement with the Jacqueline Ellam Autry Trust ("the Trust"). Pursuant to the agreement, the Trust is to receive 100,000,000 shares of the Company's common stock pursuant to the first closing. A subsequent closing was to have occurred on, or before the July 1, 2015, in which the Trust was to receive:

- Fifteen percent (15%) of: (i) the number of shares of Common Stock issued and outstanding at the time of the Second Closing; and (ii) the number shares of Common Stock irrevocably agreed to be issued at the time of the Second Closing. The Common Stock will be issued to the Trust in a private placement without being registered under the Securities Act of 1933, as amended, and the rules and regulations of the Securities and Exchange Commission (the "Commission") thereunder (collectively, the "Securities Act"), in reliance upon Section 4(a)(2) thereof and Regulation D.
- Elect Jacqueline Ellam Autry, or her assignee, as a member of the Board of Directors of the Company.
- Issue Jacqueline Ellam Autry four admission tickets to the Company's season suite for any National Football home games for the New York Giants or New York Jets during the immediately next NFL season.

The Company is to receive another \$961,966 and issue the Trust a one year Promissory Note commensurate with the second closing. The 2nd closing has not yet occurred and the 100,000,000 shares have not yet been issued pursuant to the 1st closing as of the filing date of this report.

On April 27, 2015, the Company received \$15,000 from an accredited investor for the sale of 882,353 shares of the Company's common stock. The shares have not yet been issued.

On March 2, 2015, the Company received \$12,000 from an accredited investor for the sale of 1,200,000 shares of the Company's common stock. The shares have not yet been issued.

Note 9 – Income Taxes

The Company accounts for income taxes under FASB ASC 740-10, which requires use of the liability method. FASB ASC 740-10-25 provides that deferred tax assets and liabilities are recorded based on the differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, referred to as temporary differences.

For the years ended December 31, 2015 and 2014, the Company incurred net operating losses and, accordingly, no provision for income taxes has been recorded. In addition, no benefit for income taxes has been recorded due to the uncertainty of the realization of any tax assets. At December 31, 2015, the Company had approximately \$912,000 of federal net operating losses, respectively. The historical federal net operating loss was lost upon the subsequent merger and dissolution of FIMA, Inc. The net operating loss carry forwards, if not utilized, will begin to expire in 2034.

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Note 9 – Income Taxes (Continued)

The components of the Company's deferred tax asset are as follows:

	December 31, 2015	December 31, 2014
Deferred tax assets:		
Net operating loss carry forwards	\$ 319,200	\$ 365,022
Net deferred tax assets before valuation allowance	\$ 319,200	\$ 365,022
Less: Valuation allowance	(319,200)	(365,022)
Net deferred tax assets	\$ -	\$ -

Based on the available objective evidence, including the Company's history of losses, management believes it is more likely than not that the net deferred tax assets will not be fully realizable. Accordingly, the Company provided for a full valuation allowance against its net deferred tax assets at December 31, 2015 and 2014, respectively.

A reconciliation between the amounts of income tax benefit determined by applying the applicable U.S. and state statutory income tax rate to pre-tax loss is as follows:

	December 31, 2015	December 31, 2014
Federal and state statutory rate	35%	35%
Change in valuation allowance on deferred tax assets	(35%)	(35%)

In accordance with FASB ASC 740, the Company has evaluated its tax positions and determined there are no uncertain tax positions.

Note 10 – Subsequent Events

We entered into the following convertible notes payable subsequent to the end of the period:

On August 12, 2016, we entered into a Convertible Debenture with LOMA Management Partners ("Fifth LOMA Note"). The Note bears interest at 8%, with a maturity date of August 12, 2018, and is convertible at 50% of the lowest traded price over the 10 trading days preceding the conversion notice.	\$ 2,750
On July 20, 2016, we entered into a Convertible Debenture with LOMA Management Partners ("Fourth LOMA Note"). The Note bears interest at 10%, with a maturity date of July 20, 2017, and is convertible at the lesser of a) \$0.01 per share or b) 50% of the lowest bid price over the fifteen (15) trading days preceding the conversion notice.	\$ 12,500
On July 14, 2016, we entered into a Convertible Debenture with Rockwell Capital Partners ("Seventh Rockwell Note"). The Note bears interest at 12%, with a maturity date of July 14, 2017, and is convertible at the lesser of a) \$0.01 per share or b) 50% of the lowest bid price over the fifteen (15) trading days preceding the conversion notice.	\$ 50,000
On June 27, 2016, we entered into a Convertible Debenture with Far North Global, LLC ("First Global Note"). The Note bears interest at 8%, with a maturity date of April 14, 2017, and is convertible at 50% of the lowest traded price over the 10 trading days preceding the conversion notice.	\$ 16,000

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Note 10 – Subsequent Events (Continued)

Convertible note issuances (continued)

On June 6, 2016, we entered into a Convertible Debenture with BB Winks, LLC (“Sixth BB Winks Note”). The Note bears interest at 10%, with a maturity date of June 6, 2017, and is convertible at the lesser of a) \$0.01 per share or b) 60% of the current bid price at the time of conversion, but not less than \$0.0001 per share.	\$ 3,000
On May 20, 2016, we entered into a Convertible Debenture with BB Winks, LLC (“Fifth BB Winks Note”). The Note bears interest at 10%, with a maturity date of May 20, 2017, and is convertible at the lesser of a) \$0.01 per share or b) 60% of the current bid price at the time of conversion, but not less than \$0.0001 per share.	\$ 2,500
On May 20, 2016, we entered into a Convertible Debenture with BB Winks, LLC (“Fourth BB Winks Note”). The Note bears interest at 10%, with a maturity date of May 20, 2017, and is convertible at the lesser of a) \$0.01 per share or b) 60% of the current bid price at the time of conversion, but not less than \$0.0001 per share.	\$ 20,000
On May 20, 2016, we assumed a Convertible Debenture from Top Shelf Brands Holdings Corporation as owed to Steve and Monica Mazzo (“First Mazzo Note”) that originated on October 20, 2014. The Note bears interest at 12%, with a maturity date of October 20, 2017, is convertible at the lesser of a) \$0.0001 per share or b) 50% of the closing bid price over the ten (10) trading days preceding the conversion notice, but not less than \$0.0001 per share. The note is currently in default.	\$ 29,000
On May 12, 2016, we entered into a Convertible Debenture with ValueCorp Trading Co (“Seventh ValueCorp Note”). The Note bears interest at 8%, with a maturity date of May 12, 2017, and is convertible at the lesser of a) \$0.01 per share or b) 50% of the closing bid price at the time of conversion.	\$ 3,000
On May 9, 2016, we entered into a Convertible Debenture with ValueCorp Trading Co (“Sixth ValueCorp Note”). The Note bears interest at 8%, with a maturity date of May 9, 2017, and is convertible at 50% of the lowest traded price over the 10 trading days preceding the conversion notice.	\$ 2,000
On May 6, 2016, we entered into a Convertible Debenture with ValueCorp Trading Co (“Fifth ValueCorp Note”). The Note bears interest at 8%, with a maturity date of May 6, 2017, and is convertible at 50% of the lowest traded price over the 10 trading days preceding the conversion notice.	\$ 3,000
On April 14, 2016, we entered into a Convertible Debenture with Rockwell Capital Partners (“Sixth Rockwell Note”). The non-interest bearing Note with a maturity date of April 14, 2018, is convertible at 50% of the lowest traded price over the ten (10) trading days preceding the conversion notice.	\$ 10,000
On April 12, 2016, we entered into a Convertible Debenture with Rockwell Capital Partners (“Fifth Rockwell Note”). The Note bears interest at 12%, with a maturity date of April 12, 2017, is convertible at 50% of the lowest traded price over the ten (10) trading days preceding the conversion notice.	\$ 42,688
On March 12, 2016, we entered into a Convertible Debenture with Sign and Drive Motors Inc. (“Second Sign and Drive Note”). The non-interest bearing Note with a maturity date of March 12, 2018, is convertible at 50% of the lowest traded price over the 10 preceding trading days.	\$ 2,000
On March 4, 2016, we entered into a Convertible Debenture with Sign and Drive Motors Inc. (“First Sign and Drive Note”). The non-interest bearing Note with a maturity date of March 4, 2018, is convertible at 50% of the lowest traded price over the 10 preceding trading days.	\$ 7,000

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Note 10 – Subsequent Events (Continued)

Convertible note issuances (continued)

On February 12, 2016, we entered into a Convertible Debenture with ValueCorp Trading Co (“Fourth ValueCorp Note”). The Note bears interest at 10%, with a maturity date of February 12, 2017, and is convertible at the lesser of a) \$0.01 per share or b) 50% of the closing bid price at the time of conversion.	\$ 2,500
On February 12, 2016, we entered into a Convertible Debenture with Blackbridge Capital, LLC (“First Blackbridge Note”) who purchased and was assigned a \$1,000 of debt from the First ODM Note. The Note bears interest at 10%, with a maturity date of February 12, 2017, and is convertible at the lesser of a) \$0.01 per share or b) 60% of the current bid price at the time of conversion, but not less than \$0.0001 per share. The note is currently in default.	\$ 1,000
On February 12, 2016, we entered into a Convertible Debenture with BB Winks, LLC (“Third BB Winks Note”). The Note bears interest at 10%, with a maturity date of February 12, 2017, and is convertible at the lesser of a) \$0.01 per share or b) 60% of the current bid price at the time of conversion, but not less than \$0.0001 per share.	\$ 2,500
On January 26, 2016, we entered into a Convertible Debenture with Rockwell Capital Partners (“Fourth Rockwell Note”) in exchange for a note that we assumed from Top Shelf Brands Holdings Corporation that originated on September 8, 2014. The Note bears interest at 12%, with a maturity date of January 26, 2017, is convertible at 50% of the lowest traded price over the ten (10) trading days preceding the conversion notice.	\$ 25,000
On January 20, 2016, we entered into a Convertible Debenture with Rockwell Capital Partners (“Third Rockwell Note”) in exchange for a note that we assumed from Top Shelf Brands Holdings Corporation that originated on July 25, 2014. The Note bears interest at 12%, with a maturity date of January 20, 2017, is convertible at 50% of the lowest traded price over the ten (10) trading days preceding the conversion notice.	\$ 50,000
On January 26, 2016, we entered into a Convertible Debenture with Rockwell Capital Partners (“Second Rockwell Note”) in exchange for a note that we assumed from Top Shelf Brands Holdings Corporation that originated on April 1, 2014. The Note bears interest at 12%, with a maturity date of January 26, 2017, is convertible at 50% of the lowest traded price over the ten (10) trading days preceding the conversion notice.	\$ 25,000
On January 26, 2016, we entered into a Convertible Debenture with Rockwell Capital Partners (“First Rockwell Note”) in exchange for a note that we assumed from Top Shelf Brands Holdings Corporation that originated on February 17, 2014. The Note bears interest at 12%, with a maturity date of January 26, 2017, is convertible at 50% of the lowest traded price over the ten (10) trading days preceding the conversion notice.	\$ 25,000
On January 7, 2016, we entered into a Convertible Debenture with an individual investor (“First Barker Note”). The Note bears interest at 10%, with a maturity date of January 7, 2018, is convertible at 50% of the lowest traded price over the ten (10) trading days preceding the conversion notice.	\$ 15,000
On January 3, 2016, we entered into a Convertible Debenture with an individual investor (“First Easter Note”). The Note bears interest at 8%, with a maturity date of January 3, 2017, is convertible at the lesser of a) \$0.01 per share or b) 50% of the lowest bid price over the fifteen (15) trading days preceding the conversion notice. The note is currently in default.	\$ 5,000

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Note 10 – Subsequent Events (Continued)

Common Stock Issuances for Debt Conversions

During the three months ended September 30, 2016, the Company issued a total of 550 million shares of common stock pursuant to the conversion of an aggregate \$80,000 of principal debt conversions. The notes were converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

During the three months ended June 30, 2016, the Company issued a total of 858,237,350 shares of common stock pursuant to the conversion of an aggregate \$85,455 of debt conversions, consisting of \$84,188 of principal and \$1,267 of interest. The notes were converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

During the three months ended March 31, 2016, the Company issued a total of 360 million shares of common stock pursuant to the conversion of an aggregate \$105,550 of debt conversions, consisting of \$87,500 of principal and \$18,050 of interest. The notes were converted in accordance with the conversion terms; therefore no gain or loss has been recognized.

Common Stock Issuances for Services

On March 3, 2016, the Company issued a total of 20 million shares of common stock among two service providers for services rendered. The aggregate fair value of the common stock was \$12,000 based on the closing price of the Company's common stock on the date of grant.

On March 1, 2016, the Company issued 25 million shares of common stock to a service provider for services rendered. The fair value of the common stock was \$12,500 based on the closing price of the Company's common stock on the date of grant.

On February 9, 2016, the Company issued a total of 6 million shares of common stock among two service providers for services rendered. The aggregate fair value of the common stock was \$22,800 based on the closing price of the Company's common stock on the date of grant.

On February 8, 2016, the Company issued a total of 39 million shares of common stock among two service providers for services rendered. The aggregate fair value of the common stock was \$195,000 based on the closing price of the Company's common stock on the date of grant.

Common Stock Cancellations

On July 12, 2016, the Company cancelled a total of 97 million shares of common stock previously issued to Top Shelf Brands Holdings on November 23, 2015. Alonzo Pierce, the Company's President and Chairman of the Board, is also affiliated with Top Shelf Brands Holdings.

On July 12, 2016, the Company cancelled 1,500,000 shares of common stock issued to a service provider in a prior year.

On February 17, 2016, the Company issued 70 million shares of common stock in error. The shares were subsequently returned and cancelled on April 6, 2017.

Subscriptions Payable

On March 23, 2016, the Company received \$7,500 from an accredited investor for the sale of 7,500,000 shares of the Company's common stock. The shares have not yet been issued. A total of 123,582,353 shares, including this transaction, have not yet been issued on prior commitments as of December 31, 2016.