LIG Assets, Inc.

Balance Sheet

As of June 30, 2014

- Unaudited, Cash Basis -

ASSETS		
Current Assets		
Cash and Cash Equivalents	5,705	
Total Current Assets		**5,705**
Investments		
Note Rec - SAMP	30,000	
LIG Entertainment	122,500	
Real estate - Market Value	21,099,645	
Total Investments		**21,252,145**
Fixed Assets		
Company Truck	15,000	
Computer equipment	16,719	
Furniture and fixtures	10,349	
Accumulated depreciation	(13,534)	
Total Fixed Assets		**28,534**
TOTAL ASSETS		**21,286,384**
LIABILITIES &EQUITY		
Short Term Liabilites		
Tax Payables	137,405	
Payables	266,233	
Loan - TCA	800,000	
Total Short Term Liabilities		**1,203,638**
Long Term Liabilities		
N/P - FP Management Group LLC	15,016,284	
Total Long Term Liabilities		**15,016,284**
Total Liabilities		**16,219,922**
EQUITY		
Common Stock, $.0001 par value, 625,000,000 shares authorized, 221,566,175 issued and outstanding	22,157	
Preferred Stock, 50 million shares authorized 14,000,000 issued and outstanding	1,400	
Paid in Capital	869,669	
Treasury Stock (8,489,401 Shares)	98,569	
Est. RE Equity and Retained Earnings	4,074,667	
Total Equity		**5,066,462**
TOTAL LIABILITIES AND EQUITY		**21,286,384**

The footnotes are an integral part of the Financials

LIG Assets, Inc.

Statement of Operations
April 1 to June 30, 2014
- Unaudited, Cash Basis -

INCOME FROM OPERATIONS	Second Qtr
Income	
Rental & Sale income	561,416
Sales & Services	35,717
Total income	*597,133*
Expense	
Real Estate	
Repair expense	9,613
Property expense	7,755
Property Ins & Taxes	53,326
Management fees	43,637
Rehabilitation Expense	90,728
Interest Expense	382,813
Total Real Estate	587,873
Total Expense	*587,873*
Office Expense	
Compensation	*60,723*
General Office Expense	*18,840*
Rent Expense	*5,739*
Miscellaneous Expense	*500*
Total Office	*85,803*
NET INCOME	**(76,543)**

The footnotes are an integral part of the Financials

LIG Assets, Inc.
Statement of Cash Flows
Apr 1 - Jun 30, 2014
Unaudited - Cash Basis

	6/30/2014
Cash At Beginning of Period	18,014
Net Income	(76,543)
Balance Sheet Items	64,234
Cash at End of Period	5,705

LIG Assets, Inc.
Notes to Financial Statements
June 30, 2014

Note 1 - Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

LIG Assets, Inc. ("Company") was incorporated in the State of Nevada on October 14, 2008.

The Company acquires, rehabilitates and resells or rents homes for profit throughout Texas. The Company believes that, given the recent credit crisis, there exists the opportunity to acquire properties at below market value and sell them for a gain. The company invests in other business opportunities, such as the commercial properties mentioned below, primarily in Texas and the South, and is continually searching for new opportunities.

Risks and Uncertainties

The Company's operations are subject to significant risk and uncertainties including financial, cash flow, operations, regulatory and other risks associated with a development stage company, including the potential risk of business failure. The mortgage lender has unusual rights to foreclose and/or withhold cash on the real estate assets that secure its loan, such as in the case of inadequate principal paydown and to fund expenses. The lender has withheld cash flow on the properties which poses a significant cash flow problem for the Company.

Management Business Overview

Most of the real estate assets owned by the Company are managed by a third party company which is performing very well in terms of occupancy and delinquency rates. However, it is expensive and slow to respond to requests for detailed information which makes progress toward an audit difficult. That property manager has the right to dispose of properties of the Company, in certain circumstances, to pay down certain debt of the Company and to withhold cash, which it has done. That step by the Manager puts significant pressure on the Company in terms of cash availability.

The real estate assets are funded at a high cost interest rate which makes a profit difficult. The Company is actively exploring lower cost financing in a number of ways, such as institutional lenders who are now active in this segment of financing of single family investment real estate and/or individuals who seek a relatively high return with real estate as collateral. Few banks make loans on single family residential investment properties. The Company is in the business of buying real estate that it considers undervalued. Because the Company has skills in cost efficient renovation, houses that are in poor condition offer opportunities for profitable purchase and rent or resale. Some of the real estate assets are owned outright and some are in the form of first liens on property owned by the occupant. The rehabilitation costs are shown as expense while the mortgage borrowing that funds the rehabilitation does not show as revenue.

After quarter end, the company sold its interest in the hotel in Louisiana that it had bought during the quarter. Other commercial property opportunities are being explored.

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company may not have full use of Cash and Cash Equivalents at all times, as reported on these statements. The servicing / management company for the real estate may retain the cash received, to be used for property tax, insurance, debt service, renewal fees, repairs and other expenses. It has the right to withhold cash at its own discretion which it has done. On an accrual basis, the income statement would show a material increase in expenses for interest and other operating payables that have not been paid. The company is sometimes able to raise cash from mortgage financing. That cash will not appear as revenue in the financials. At June 30, 2014 there were no cash balances that exceeded the federally insured limits at its banks.

Income Taxes

The Company accounts for income taxes under the liability method in accordance with Statement of Financial Accounting Standards No. 109, "Accounting for Income Taxes" under this method, deferred income tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse.

Real Estate Inventory Costs

Costs that relate to mortgages/properties are expensed. Costs are allocated to property components by the specific identification method whenever possible. Per agreement, the Servicing/Management Company for the real estate, escrows the net income received from real estate properties. This amount is included in Cash. The Company has equitable ownership of the mortgages/properties via a Contract for Deed further secured by a Note, and has equitable title to the mortgages/properties, though the property manager has the right to foreclose on the assets under certain circumstances such as inadequate paydown of principal. Mortgages and Properties are sold throughout the year as required. These statements are updated to reflect the loan balances. The interest rate paid to fund the ownership of the real estate assets in the financials is high, as is typical of residential investment properties. The Company is evaluating alternatives to refinance those assets at lower rates. The Company may or may not be able to implement a refinancing.

Loan

The Company has a loan with a balance of $800,000 from TCA which was used for the purpose of funding the movie, below, and paying expenses. Repayment will be made with future property sales and when the movie sells.

LIGEM, Inc.

Filming of the two movies in which LIGEM , a subsidiary, has invested around Austin, Texas are completed. Release date for the movies may occur in the near future. Proceeds from the sale of the films will be used to retire debt. Excess proceeds, if any, will be used to repurchase common stock or for general corporate purposes.

Financial Statements

All financial statements are unaudited and are reported primarily on a non-GAAP Cash Basis, so depreciation and unpaid interest, for example, are not included in the income statement. The only large non-cash item is "Real Estate – Market Value" in the balance sheet. That value is subject to market fluctuations and other unknown factors until the time of sale of those assets and should be considered as a subjective value by any investor in the Company, though Management believes that it represents a fair estimate of value. On a GAAP basis, the real estate would be shown at cost and the appreciated value over the cost would not be shown and therefore, most or all of the equity would be eliminated. It is the intent of Management to convert to accrual basis statements as soon as is practical. On an accrual basis, the company would show a material increase in expense due to payables which would result in an increased net loss for the period.

The Company is listed in the Pink Sheets and as such it does not file with the Securities and Exchange Commission (SEC). It does not file a 10K, 10Q nor other related filings. The Company has a goal to become SEC registered sometime after the independent audit is done which will be no earlier than 2015.

Note 2 – Equity

The Board of Directors has raised the authorized number of common shares to 625 million and the number of preferred shares authorized was already set at 50 million. During the quarter, 7,500,000 additional shares were issued. Insiders did not sell nor receive any shares during the quarter. After the quarter end, 37,165,331 common shares were issued.

Early in 2013, the Board of Directors approved the exchange of common stock for preferred stock by the Chief Executive Officer, in the amount of 14 million shares of Series A Preferred Stock, which has no dividend nor conversion feature. That stock has voting power of 20 common shares per preferred share. Therefore, the CEO currently has voting control of the company.

Purchases by the Company of its own common stock are not likely to occur in 2014. Some of the remaining debt does still have conversion rights into common stock. Management intends to repay that debt with cash rather than stock, though that ability is subject to various factors such as profit or loss, cash availability and other events.

Note 3 - Going Concern

The ability of the Company to continue as a going concern is dependent on having adequate cash to fund the business and on Management's plans, which include potential asset acquisitions, business opportunities, mergers or business combinations with other entities, further implementation of its business plan and the ability to continue to raise cash through net income and debt or equity offerings.

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. These financial statements do not include any adjustments relating to the recovery of the recorded assets, depreciation, or the classification of the liabilities that might be necessary should the Company be unable to continue as a going concern nor are the financials on an accrual basis.

The interim outside financial advisor of the Company, whose role is limited, has not verified the financial statements contained herein.

Jeff Love
President & CEO