10-Q 1 s105655_10q.htm 10-Q

UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934.

For the quarterly period ended January 31, 2017

Commission File Number: ***001-51059***

TGI Solar Power Group Inc.

(Exact name of Company as specified in its charter)

Delaware

(State or other jurisdiction)
of incorporation or organization)

1011 Whitehead Road Ext, Suite 101,
Ewing, NJ 08638
(Address of principal executive offices and zip code)

(609) 201-2099
(*Company's telephone number, including area code)*

Indicate by check mark whether the Company (1) has filed all reports required to be filed by Section 13 or 15(d) of the Exchange Act during the preceding 12 months (or for such shorter period that the Company was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Company has submitted electronically and posted on its corporate web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Company was required to submit and post such files). Yes ☐ No ☒

Indicate by check mark whether the Company is a larger accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one)

Large accelerated filer	☐
Non-accelerated filer	☐

Indicate by check mark whether the Company is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☒ No ☐

As of March 24, 2017, there were approximately 1,705,036,105 shares of common stock of the registrant issued and outstanding.

TGI Solar Power Group Inc.
FORM 10-Q
INDEX

TGI Solar Power Group Inc.
Condensed Balance Sheets (unaudited)

Assets

Current assets

Cash

Prepaid Consulting Fees	
Total current assets	
Total Assets	
Liabilities and Stockholders' Equity	
Current liabilities	
Accrued Expenses	
Stockholders' Equity	
Convertible Preferred Stock:	
Series C, Convertible Preferred Stock, ($1 par value, 275,000 and zero authorized issued and outstanding)	
Series B, Convertible Preferred Stock, ($.001 par value, 2,000,000 authorized issued and outstanding)	
Series A, Convertible Preferred Stock, ($.001 par value, 10,000,000 authorized issued and outstanding)	
Common Stock (.001 par value, 2,400,000,000 shares authorized, 1,705,036,105 shares issued and outstanding as of Januar	
Additional Paid in Capital	
Accumulated Deficit	
Stockholders' Equity	
Total Liabilities and Stockholders' Equity	

See accompanying notes to the unaudited condensed financial statements

TGI Solar Power Group Inc.
Condensed Statement of Operations (Unaudited)

	20
Revenues	$
Cost of Revenues	
Gross profit	
Operating expenses	
Loss before other income/(expense)	
Interest expense	
Other income/ expense	
Net Loss	$
Basic and diluted net loss per common share	
Weighted average of common shares outstanding, Basic and Diluted	

See accompanying notes to the unaudited condensed financial statements

TGI Solar Power Group Inc.
Condensed Statement of Cash Flows (Unaudited)

Cash flows from operating activities	
Net loss	
Changes in operating assets and liabilities:	
Prepaid expenses	
Accrued expenses	
Net cash used in operating activities	
Advances from Related Party	
Net cash provided by operating activities	
Net change in cash	
Cash	
Beginning of year	
End of period	

See accompanying notes to the unaudited condensed financial statements

1. NATURE OF BUSINESS, ORGANIZATION AND BASIS OF PRESENTATION

TGI Solar Power Group, Inc. ("TGI" or the "Company") is a publicly held corporation formed under the laws of the State of Delaware as Liberty Leasing Co. Inc. in 1967. The Company changed its name to LIBCO Corporation on June 29, 1973, RDIS Corporation on Jan 11, 1993 and TenthGate International, Inc. on February 20, 2007 before adopting its current name in June 2008. Tenth Gate International, Inc. acquired TenthGate Incorporated, a Delaware corporation, by merger of TGI's subsidiary, TenthGate Merger Sub, Inc., a Utah corporation, with and into TenthGate Incorporated in April 2007. Thereafter, TenthGate International, Inc. became a development stage company which owned various subsidiaries with licenses and patents held by those subsidiaries. On July 25, 2008, Tenth Gate International, Inc., acquired from Solar 18 Corporation, a Florida corporation, ("Solar 18"), Solar 18's patented technology which the Company believed to be viable in commercial and residential applications, especially in the field of green energy. Thereafter, the Company changed its name to TGI Solar Power Group, Inc. TGI Solar Power Group, Inc. discontinued operations of its other subsidiaries (of the former TenthGate International, Inc.) to pursue energy technology products and services. The Company's fiscal year end is July 31st.

TGI Solar Power Group, Inc. is primarily engaged in the business of providing potential alternative energy solutions to residential and business customers. The Company markets alternative solutions on its website and directly to potential customers and creates a Present Value (PV) solution that details price, tax benefits or cost support and the potential energy savings that might be realized from customers.

Accordingly, TGI intends to launch new business initiatives intended to provide clients with management, tools and resources to deliver interactive, real-time, on demand staffing for full time and project based personnel. The Company is exploring the possibility of entering into a business to provide staffing for contract projects in solar energy, as well as potentially in other businesses. We hope these business initiatives will result in infrastructure which supports qualifying, investigating and on boarding of viable project management candidates, a process that includes automated reporting of hours, benefits and insurance and obtaining insurance and building expertise that may drive continued support of this model which may include the three offerings to companies; permanent, temporary and contract based and the five established vertical markets, information technology, engineering, light industrial and blue collar, financial services and medical.

2. GOING CONCERN

The accompanying unaudited financial statements have been prepared on the basis the Company will continue as going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. The Company has a history of operating losses and the Company continues to rely on financing and the issuance of Preferred and Common shares to raise capital. The Company's significant losses from operations and the Company's dependence on equity and debt financing raise substantial doubt about the Company's ability to continue as a going concern. The financial statements of the Company do not include any adjustments relating to the recoverability and classification of recorded assets, or the amounts and classifications of liabilities that might be necessary should the Company be unable to continue as a going concern

3. BASIS OF PRESENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying unaudited condensed consolidated financial statements of the Company have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial information and with the instructions to Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by accounting principles generally accepted in the United States of America for complete consolidated financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included. Operating results for the six-month period ended January 31, 2017 are not necessarily indicative of the results that may be expected for the year ended July 31, 2017. The unaudited condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and footnotes thereto included in the Company's Annual Report on Form 10-K for the year ended July 31, 2016 as filed on November 14, 2016.

These financial statements have been prepared by the Company in accordance with generally accepted accounting principles in the United States of America (" GAAP").

Use of Estimates

The preparation of financial statements in conformity with GAAP 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 revenues and expenses during the reporting periods. Actual results could differ from those estimates

Income Taxes

Estimates of taxable income of the legal entity and jurisdiction are used in the tax rate calculation. Management uses judgment in estimating what the Company's income tax will be for the year. Since judgment is involved, there is a risk that the tax rate may increase or decrease in any period. In determining income/(loss) for financial statement purposes, management must make certain estimates and judgments. These estimates and judgments occur in the calculation of certain tax liabilities and in the determination of the recoverability of certain deferred tax assets, which arise from temporary differences between the tax and financial statement recognition of revenue and expense. FASB issued authoritative guidance concerning accounting for income taxes also requires that the deferred tax assets be reduced by a valuation allowance if, based on the available evidence, it is more likely than not that all or some portion of the recorded deferred tax assets will not be realized in future periods. In evaluating the Company's ability to recover the Company's deferred tax assets, management considers all available positive and negative evidence including the Company's past operating results, the existence of management is using to manage the underlying businesses.

Through January 31, 2017, the Company has recorded a valuation allowance against the Company's deferred tax assets arising from net operating losses due to uncertainty of their realization as a result of the Company's earnings history, the number of years the Company's net operating losses and tax credits can be carried forward, the existence of taxable temporary differences and near-term earnings expectations. The amount of the valuation allowance could decrease if facts and circumstances change that materially increase taxable income prior to the expiration of the loss carry forwards. Any reduction in the valuation allowance would result in an income tax benefit in the period such determination is made by the Company.

Due to the Company experiencing several events that qualify as a change in control since its inception, The Company may be limited by section 382 of the Internal Revenue Code as to the amount of net operating losses that may be used in future years.

NET (LOSS) EARNINGS PER SHARE

Basic earnings per share are calculated on the basis of the weighted-average number of common shares outstanding during the year. Basic earnings per share are computed by dividing income available to common stockholders by the weighted-average common shares outstanding during the period. Diluted earnings per share takes into account the potential dilution that could occur if securities or other contracts to issue common stock were exercised and converted to common stock

Dilutive common share equivalents consist of shares issuable upon conversion of convertible debt, and Preferred Stock.

As of January 31, 2017 and July 31, 2016 there were 10,000,000 outstanding shares of Preferred Series A Stock which convert to 30,000,000 common shares, 2,000,000 outstanding shares of Preferred Series B Stock which convert to 200,000,000 common shares and 275,000 outstanding shares of Preferred Series C Stock which convert to 17,055,321,260 common shares.

Accountings Standards Issued But Not Yet Effective

In August 2014, FASB issued ASU No. 2014-15, "Presentation of Financial Statements-Going Concern (Subtopic 205-40): Disclosure of Uncertainties about an Entity’s Ability to Continue as a Going Concern." Under the new guidance, an entity should evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the entity’s ability to continue as a going concern within one year after the date that the financial statements are issued. The guidance is effective for the annual period ending after December 15, 2016, and for annual periods and interim periods thereafter. Early application is permitted. The Company is currently evaluating the impact of ASU 2014-15 on its financial statements.

4. ADVANCES PAYABLE

The Company received advances of $65,000 by a third party in September 2014 in order to cover expenses associated with a possible investment which was not pursued by the Company. The advance and related interest of approximately 12% was satisfied in full through the issuance of 40,000,000 shares of common stock on July 31 2016.

Interest expense on the Advance was $0 for the three months ended January 31, 2017 and 2016. Interest was $0 and $1,957 for the six months ended January 31, 2017 and 2016.

5. RELATED PARTY TRANSACTION

During the three months and six months ended January 31, 2017 the Company incurred and paid $22,933 and $67,933 of consulting expenses to its officer. As of January 31, 2017 and July 31, 2016 the Company prepaid consulting fees to its officer in the amount of $3,000 and $15,000 which is included in prepaid expense on the accompanying condensed balance sheet.

6. CAPITAL STRUCTURE

Common:

At January 31, 2017 and July 31, 2016, the Company had 2,400,000,000 shares authorized and 1,705,036,105 shares of $.001 par value common stock issued and outstanding.

Common shares are voting and dividends are paid at the discretion of the Board of Directors.

Series A Preferred Stock

At January, 31 2017 and July 31, 2016, the Company had 10,000,000 shares of Series A Preferred Stock, $.001 par value, authorized, issued and, outstanding. The Series A Preferred Stock has a liquidation preference over the common stock and any other class or series of capital stock whose terms expressly provide that the holders of the Series A Preferred Stock should receive preferential payment. Holders of the Preferred Stock Series A are entitled to vote on all matters submitted to shareholders of the Company and are entitled to 10 votes for each share of the Series A Preferred Stock owned.

Each share of Series A Preferred Stock is convertible, at the option of the holder, into three shares of the Company's common stock. However, holders cannot convert any share of Series A Preferred Stock into shares of common stock until (a) the Series A Preferred Stock has been held for a minimum of 24 months; (b) the Common Stock is trade for at least $0.50 per share (c) the Company has a positive Net Worth; and (c) The Company is traded on the Pink Sheets, or higher exchange.

Holders of the Series A Preferred Stock are entitled to receive dividends as declared at the discretion of the Board of Directors. These dividends are based on the number of shares of Common Stock into which each share of Series A Preferred Stock is convertible.

Series B Preferred Stock

At January 31, 2017 and July 31, 2016, the Company had 2,000,000 shares of Series B Preferred Stock, $.001 par value, authorized, issued and outstanding. Holders of the Series B Preferred Stock Series B are entitled to vote on all matters submitted to shareholders of the Company and are entitled to 1,000 votes for each share of the Series B Preferred Stock owned.

Each share of the Series B Preferred Stock is convertible, at the option of the holder, into one hundred shares of the Company's common stock. However, holders cannot convert any share of Series B Preferred Stock into shares of common stock until (a) the Series B Preferred Stock has been held for a minimum of 12 months; (b) the Common Stock is traded at least $0.01 per share (c) The Company is traded on the Pink Sheets, or higher exchange.

Holders of the Series B Preferred Stock are entitled to receive dividends as declared at the discretion of the Board of Directors. These dividends are based on the number of shares of Common Stock into which each share of Series B Preferred Stock is convertible

Series C Preferred Stock

On June 22 2016, the Company authorized 275,000 shares of $1 Par Value Series C Convertible Preferred Stock. On June 26, 2016, the Company sold 137,500 shares of its Series C Convertible Preferred Stock each to Ensure HR, LLC, a New Jersey limited liability company, and Meros HR, LLC, a New Jersey limited liability company for $275,000. The proceeds were reduced by $19,460 of legal expenses related to the sale. These 275,000 shares of Series C Preferred Stock are authorized issued and outstanding as of July 31, 2016.

The Series Preferred C Stock has a liquidation of twice its stated value, and converts into shares of Common Stock at the initial conversion price of $.000016124 per share, subject to adjustment for stock splits, reclassification and distributions. The Series C Preferred Stock votes on an as converted basis multiplied by 1.9. The conversion price is initially $.000016124 per share, subject to adjustment for dilutive issuances, so that upon conversion the holders of the Series C Preferred Stock would hold shares of Common constituting 90 % of the fully diluted Common Stock upon conversion. Accordingly, the sale of the Series C Stock resulted in a change of control of the Company. The Series C Preferred Stock cannot be converted until the Company files an amendment increasing the authorized number of shares of Common Stock and/or effecting a reverse stock split of the Common Stock so that the Company has a sufficient number of authorized and unissued shares of Common Stock so as to permit the conversion of all outstanding shares of Series C Preferred Stock.

Holders of the Series C Preferred Stock are entitled to receive dividends as declared at the discretion of the Board of Directors. These dividends are based on the number of shares of Common Stock into which each share of Series C Preferred Stock is convertible.

PART I

Item 2. Management' Discussion and Analysis of Financial Condition and Results of Operations

The following discussion of our financial condition and results of operations should be read in conjunction with our financial statements and the related notes, and other financial information included in this Form 10K.

Our Management's Discussion and Analysis contains not only statements that are historical facts, but also statements that are forward-looking. Forward-looking statements are, by their very nature, uncertain and risky. These risks and uncertainties include international, national, and local general economic and market conditions; our ability to sustain, manage, or forecast growth; our ability to successfully make and integrate acquisitions; new product development and introduction; existing government regulations and changes in, or the failure to comply with, government regulations; adverse publicity; competition; the loss of significant customers or suppliers; fluctuations and difficulty in forecasting operating results; change in business strategy or development plans; business disruptions; the ability to attract and retain qualified personnel; the ability to protect technology; the risk of foreign currency exchange rate; and other risks that might be detailed from time to time in our filing with the Securities and Exchange Commission.

Currently The Company has no operations that provide cash flow, however a new business plan was developed and TGI intends to enter into business to provide clients with services that include: business development, project management, management consulting, staffing as well as to develop application to manage timing and logistics for employers.

Results of Operations

Comparison of the six months ended January 31 2017 and 2016

We did not have any sales for the six months ended January 31, 2017 and 2016. During the six months ended January 31, 2017 and 2016, we incurred $123,960 and $2,993, respectively, in operating expenses. The fees of $25,395 increase in the six months ended January 31, 2017 pertains to consulting expenses incurred to its President of $67,933 as well as legal and accounting fees of $20,550. We incurred interest expense of $0 and $1,957 for the six months ended January 31, 2017 and 2016. The interest was incurred from an advance received from a third party converted to stock. in July 2016

Net loss from operations for the six months ended January 31, 2017 and 2016 was $123,960 and $4,950 respectively.

Comparison of the three months ended January 31 2017 and 2016

We did not have any sales for the three months ended January 31 2017 and 2016.

During the three months ended January 31, 2017 and 2016, we incurred $46,368 and $2,973, respectively, in operating expenses. The increase in the three months ended January 31, 2017 pertains to consulting expenses incurred to its President of $22,993 as well as legal fees of $7,945 and accounting fees of $10,400.

Net loss from continuing operations for the Three months ended January 31, 2017 and 2016 was $46,368 and $2,973 respectively.

Liquidity and Capital Resources

At January 31, 2017 and July 31 2016, we had cash of $35,148 and $129,568. We did not have any cash flows from operating and investing activities for the periods then ended. In June 2016, we received net proceeds of $255,540 in conjunction with the sale of our Preferred Series C Stock.

Our ability to continue as a going concern is dependent upon our ability to generate future profitable operations and/or to obtain the necessary financing to meet our obligations and repay our liabilities arising from normal business operations when they come due. Management's plan includes obtaining additional funds by equity financing and/or related party advances, however there is no assurance of additional funding being available. The uncertainty surrounding the Company's ability to consummate such transactions raises substantial doubt regarding the Company's ability to continue as a going concern. These financial statements have been prepared with the assumption that the Company will continue as a going concern and will be able to realize its assets and discharge its liabilities in the normal course of business and do not include any adjustments to reflect the possible future effects on the recoverability and classification of assets or the amounts and classification of liabilities that may result from the inability of the Company to continue as a going concern.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are a smaller reporting company as defined by 17 C.F.R. 229 (10)(f)(i) and are not required to provide information under this item.

ITEM 4. CONTROLS AND PROCEDURES

We maintain disclosure controls and procedures designed to ensure that information required to be disclosed in the reports we file pursuant to the Securities Exchange Act of 1934, as amended (the "Exchange Act") are recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC, and that such information is accumulated and communicated to our Principal Executive Officer ("PEO") and Principal Financial Officer ("PFO"), to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can only provide a reasonable assurance of achieving the desired control objectives, and in reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Management designed the disclosure controls and procedures to provide reasonable assurance of achieving the desired control objectives.

We carried out an evaluation, under the supervision and with the participation of our management, including our PEO and PFO, of the effectiveness of the design and operation of our disclosure controls and procedures as of the end of the period covered by this quarterly report. Based upon that evaluation, the PEO and PFO concluded that the Company's disclosure controls and procedures were ineffective.

There was no change in our internal control over financial reporting during the period covered by this quarterly report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

From time to time, we may be a party to legal proceedings in the ordinary course of our business in addition to those described below. We do not, however, expect such other legal proceedings to have a material adverse effect on our business, financial condition or results of operations.

There are no legal proceedings against the Company to the best of the Company's knowledge as of the date hereof and to the Company's knowledge, no action, suit or proceeding has been threatened against the Company.

ITEM 1A. RISK FACTORS.

We are a smaller reporting company as defined by 17 C.F.R. 229 (10)(f)(i) and are not required to provide information under this item.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS

Exhibit No.	Description
31.1	Certification of Principal Executive Officer and Principal Financial Officer, pursuant to
32.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to F
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

* Filed herewith

** Furnished herewith

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: March 24, 2017