

Cal-Bay International, Inc.

QUARTERLY REPORT
SEPTEMBER 30, 2009

CAL-BAY INTERNATIONAL, INC.

QUARTERLY REPORT

SEPTEMBER 30, 2009

PART A -- GENERAL COMPANY INFORMATION

ITEM I. NAME OF ISSUER

Cal-Bay International, Inc.

ITEM II. ADDRESS OF ISSUER'S PRINCIPAL EXECUTIVE OFFICES

8430 West Lake Mead Boulevard, Suite 100, Las Vegas, Nevada 89128

Office: 702-576-9849

Fax: 702-442-7756

Web: www.cbhomesusa.com/index3.htm

ITEM III. JURISDICTION AND DATE OF THE ISSUER'S INCORPORATION

The State of Nevada on December 8, 1998 as Var-Jazz Entertainment, Inc. On

March 8, 2001, Var-Jazz Entertainment acquired 100% of the outstanding common

shares of Cal-Bay Controls, Inc., which has been accounted for as a reverse acquisition.

Subsequent to this acquisition, Var-Jazz Entertainment, Inc. changed its name to Cal-Bay International, Inc.

CAL-BAY INTERNATIONAL, INC.
QUARTERLY REPORT
SEPTEMBER 30, 2009
PART C -- BUSINESS INFORMATION
ITEM VII. NAME AND ADDRESS OF TRANSFER AGENT
First American Stock Transfer, Inc
4747 North 7th Street, Suite 170
Phoenix, Arizona 85014

The Company's SIC Code is 6500

CAL-BAY INTERNATIONAL, INC.
QUARTERLY REPORT
SEPTEMBER 30, 2009
PART D -- MANAGEMENT STRUCTURE AND FINANCIAL INFORMATION
ITEM XI. NAME OF CHIEF EXECUTIVE OFFICER, MEMBERS OF THE BOARD
OF DIRECTORS, AS WELL AS CONTROL PERSONS

The following persons are officers and directors of Cal-Bay as of the date of this prospectus:

Name Age Position(s) and Office(s)

Shaun Bailey 29 President and Director

Shaun Bailey 29 has four years of experience in business operations and over six years of experience in systems and data management. He has a degree in Business Management from Brigham Young University, Shaun has extensive marketing experience having developed and implemented marketing plans and web strategies for nearly a decade.

ITEM XII & XIII FINANCIAL INFORMATION FOR THE CURRENT AND PAST TWO YEARS

**CAL-BAY INTERNATIONAL, INC.
Index to Consolidated Financial Statements**

Page	
	Consolidated Balance Sheets as of September 30, 2009 and December 2008.....4
	Consolidated Statements of Operations and Comprehensive Loss for the Quarters Ended September 30, 2009 and December 20086
	Consolidated Statements of Cash Flows for the Quarter Ended September 30, 2009 and December 2008.....7

CAL-BAY INTERNATIONAL, INC AND SUBSIDIARIES
 UNAUDITED CONSOLIDATED BALANCE SHEET
 (CONDENSED FINANCIAL STATEMENTS)

	September 30, 2009	December 31, 2008
ASSETS		
CURRENT ASSETS:		
Cash	\$ 80	\$ -
Accounts Receivable	-	-
Prepaid Expenses	-	-
Escrowed Funds	-	-
Total Current Assets	\$ 80	\$ -
PROPERTY & EQUIPMENT		
Residences for Retention	256,583	-
Computer and Office Equipment	-	-
Furniture and Fixtures	-	-
Vehicles	-	-
(Less) accumulated depreciation	-	-
Total Property & Equipment	\$ 256,583	\$ -
OTHER ASSETS		
Deposits		
Tax & Insurance Deposit	-	-
Real Estate		
Aspen Cove Resort	125,000	125,000
Total Other Assets	\$ 125,000	\$ 125,000
Total Assets	\$ 381,663	\$ 125,000

See Notes to Financial Statements

CAL-BAY INTERNATIONAL, INC AND SUBSIDIARIES
 UNAUDITED CONSOLIDATED BALANCE SHEET
 (CONDENSED FINANCIAL STATEMENTS)

	September 30, 2009	December 31, 2008
LIABILITIES		
CURRENT LIABILITIES:		
Accounts Payable& Accrued Expenses	\$ 32,186	\$ 1,640
Accrued Liabilities	0	0
Loans from Shareholder	642,948	642,948
Loans from Others	129,503	0
Convertible Note	650,772	650,772
Loans from Investors	943,000	943,000
Aspen Cove Debt	1,612,650	1,612,650
Mortgages	143,926	0
Total Liabilities	\$ 4,154,985	\$ 3,851,010
STOCKHOLDERS' EQUITY		
Preferred stock - \$.001 par value		
Authorized - 575,000,000 shares		
Series A Preferred		
Authorized - 50,000,000 shares		
46,210,000 issued and outstanding	46,210	46,750
Series B Preferred		
Authorized - 500,000,000 shares		
Issued and outstanding - none	0	0
Series C Preferred		
Authorized - 25,000,000 shares		
3,261,358 issued and outstanding	3,261	3,261
Common stock, - \$.001 par value		
Authorized - 12,000,000,000 shares		
Issued and outstanding - 563,988,252 and 9,994,030,998	563,988	9,994,031
Additional paid-in capital	29,703,627	20,073,044
Stock Options	2,167,000	2,167,000
Retained (deficit)	(35,927,684)	(35,680,044)
Net Income (deficit)	(247,312)	(247,640)
Less Treasury Stock at Cost	(82,412)	(82,412)
Net Stockholders' Equity	\$ (3,773,322)	\$ (3,726,010)
Total Liabilities & Stockholders' Equity	\$ 381,663	\$ 125,000

See Notes to Financial Statements

CAL-BAY INTERNATIONAL, INC AND SUBSIDIARIES
 UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS
 (CONDENSED FINANCIAL STATEMENTS)

	9 Months Ended September 30, <u>2009</u>	Year Ended December 31, <u>2008</u>
REVENUES		
Rental Income	\$ 7,070	\$ 0
Sales	0	0
Commission Income	0	0
 TOTAL REVENUES	 7,070	 0
COST OF SALES		
Cost of Goods Sold-Sales	0	0
Real Estate Purchase	0	0
Commission Expense	0	0
 COST OF SALES	 <u>0</u>	 <u>0</u>
 GROSS PROFIT	 <u>7,070</u>	 <u>0</u>
OTHER COSTS AND EXPENSES		
General & Administrative	18,853	1,640
Professional Fees	235,529	246,000
 TOTAL OTHER COSTS AND EXPENSES	 <u>254,382</u>	 <u>247,640</u>
OTHER INCOME (EXPENSE):		
Other Income	0	0
(Loss) on Real Estate Escrow Deposits	0	0
(Loss) on Real Estate, Furniture, Computers, Vehicles	0	0
 TOTAL OTHER INCOME (EXPENSE):	 <u>0</u>	 <u>0</u>
 NET INCOME (LOSS)	 \$ <u><u>(247,312)</u></u>	 \$ <u><u>(247,640)</u></u>
 BASIC AND DILUTED EARNINGS (LOSS) PER SHARE	 \$ <u>(0.00)</u>	 \$ <u>(0.00)</u>
 BASIC & DILUTED WEIGHTED AVERAGE SHARES OF COMMON STOCK	 <u><u>133,904,315</u></u>	 <u><u>8,601,948,806</u></u>

See Notes to Financial Statements

CAL-BAY INTERNATIONAL, INC AND SUBSIDIARIES
 UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
 (CONDENSED FINANCIAL STATEMENTS)

	9 Months Ended September 30, <u>2009</u>	Year Ended December 31, <u>2008</u>
OPERATING ACTIVITIES:		
Net income (loss)	\$ (247,312)	\$ (247,640)
Adjustments to reconcile Net Changes in operating assets & liabilities which increase (decrease) cash flow:		
Accounts Payable	30,547	1,640
Other Loans	<u>129,503</u>	<u>(500,000)</u>
Net cash provided by operating activities	<u>(87,262)</u>	<u>(746,000)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Retention Property	<u>(256,583)</u>	<u>-</u>
Net cash provided (used) from investing activities	<u>(256,583)</u>	<u>-</u>
 CASH FLOWS FROM FINANCING ACTIVITIES:		
Retention Property	143,925	-
Stock Activity	<u>200,000</u>	<u>746,000</u>
Net cash provided (used) from financing activities	<u>343,925</u>	<u>746,000</u>
 NET INCREASE (DECREASE) IN CASH EQUIVALENTS	 80	 -
 CASH AND CASH EQUIVALENTS - Beginning of Period	 <u>-</u>	 <u>-</u>
 Cash at end of period	 <u>\$ 80</u>	 <u>\$ -</u>

On May 19, 2009, Cal-Bay International, Inc. implemented a reverse stock split on the basis of one post-split share for every 500 pre-split shares.

ITEM XXI. ISSUER'S CERTIFICATIONS

I, Shaun Bailey, certify that:

1. I have reviewed this quarterly disclosure statement of Cal-Bay International, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

SEPTEMBER 2009

Shaun Bailey, CEO and Chief Financial Officer