

DISCLOSURE STATEMENT PURSUANT TO
THE PINK BASIC DISCLOSURE GUIDELINES

BARISTAS COFFEE COMPANY, INC.

A Nevada Corporation

2926 184th Pl. S.E.

Bothell, WA 98012

(Company's Address)

(206) 579-0222

(Company's telephone number)

www. baristas.tv.com

(Company's Website)

info@baristas.com

(Company's email)

514909 - Coffee and Tea

(Company's SIC Code)

QUARTERLY REPORT

For the Period Ending June 30, 2022

(the "Reporting Period")

As of August 18, 2022, the number of shares outstanding of our Common Stock was:

192,116,272 shares

As of March 31, 2022, the Date at End of Previous Reporting Period, the number of shares outstanding of our Common Stock was:

190,357,955 shares

As of December 31, 2021, the Most Recent Fiscal Year End Reporting Period, the number of shares outstanding of our Common Stock was:

187,357,890 shares

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):

Yes: ☐

No: ☒

Indicate by check mark whether the company's shell company status has changed since the previous reporting period:

Yes: ☐

No: ☒

Indicate by check mark whether a Change in Control of the company has occurred over this reporting period:

Yes: ☐

No: ☒

PART A GENERAL COMPANY INFORMATION

Item 1. Name of the issuer and its predecessor (if any).

The name of the issuer is Baristas Coffee Company, Inc. ("Baristas" or "Company").

The Company was originally incorporated in the State of Nevada on October 18, 1996 as Preferred Professional Enterprises, Inc. and then went through several name changes in 1999 and 2000 finally being renamed Innovative Communications Technologies, Inc. In 2001, a Washington company was merged into Innovative Communications Technologies, Inc. in furtherance of pursuing the discount long distance business. In 2009, Innovative Communications Technologies, Inc. was looking for new opportunities, as its discount long distance business was decreasing and winding down. Pangea was accumulating coffee shops, formulating a business model and procedures for the Baristas brand. On December 22, 2009, Innovative Communications Technologies, Inc. acquired greater than a 60% interest in Pangea Networks, Inc. ("Pangea"), DBA Baristas Inc., including numerous coffee stands in the greater Seattle area, for cash, stock and other consideration. The transaction was structured as a partial stock purchase. After the acquisition, the assets and operations were transferred to Innovative Communications Technologies, Inc. In May, 2010, the Company changed its name to Baristas Coffee Company. In April 2010, Pangea became inactive.

The Company is currently in good standing in the State of Nevada.

Since 2001, Baristas has not been a "shell company" as that term is defined in Rule 12b-2 of the Exchange Act. Prior to 2001, Baristas does have periods when it would be considered a "shell company."

Describe any trading suspension order issued by the SEC concerning the issuer or its predecessors:

NONE

List any stock split, stock dividend, recapitalization, merger, acquisition, spin-off or reorganization, either currently anticipated or that occurred within the past 12 months.

NONE

The address of the issuer's principal executive office:

2926 184th PL SE
Bothell, WA 98012

The address of the issuer's principal place of business:

Check box if principal executive office and principal place of business are the same address: ☒

Has the Company or any of its predecessors ever been in bankruptcy, receivership, or other similar proceeding in the past five three-months?

Yes: ☐

No: ☒

Item 2. Security Information.

Trading Symbol:	BCCI
Exact title and class of securities outstanding:	Common Stock
CUSIP:	067594 30 9
Par or Stated Value:	\$0.001 par value
Total Shares Authorized:	600,000,000 as of August 18, 2022
Total Shares Outstanding:	192,116,272 as of August 18, 2022
Number of shares in Public Float:	147,181,946 as of August 18, 2022
Total number of shareholders of record:	41 as of August 18, 2022.

Trading Symbol:	None
Exact title and class of securities outstanding:	Preferred Stock, Series A
CUSIP:	None
Par or Stated Value:	No par value
Total Shares Authorized:	30,000,000 as of August 18, 2022
Total Shares Outstanding:	25,928,358 shares as of August 18, 2022 (1)

- (1) During April 2022, the Company determined 1,400,000 shares of Series A Preferred Stock were converted to shares of the Company's common stock in a prior year. The Company wrote off the 1,400,000 Series A Preferred Stock at March 31, 2022.

The name and address of Barista's transfer agent is:

Continental Stock Transfer & Trust Company
1 State Street, 30th Floor,
New York, NY 10004-1561
Phone (212) 509-4000
Email: cstmail@continentalstock.com

Is the Transfer Agent registered under the Exchange Act? Yes: ☒ No: ☐

Item 3. Issuance History.

Disclosure under this Item 3 includes, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services.

A. Changes in the Number of Outstanding Shares.

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods: ☐

<div> <div>Number of Shares Outstanding as of January 1, 2020:</div> <div>Opening Balance: Common: 166,478,248 Preferred: 27,328,358</div> </div>									
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at issuance	Were the shares issued at a discount to market price at the time of issuance? Yes or No	Individual/Entity Shares were issued to (entities must have individual with voting/investment control disclosed).	Reason for share issuance (e.g., for cash or debit conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
1/30/2020	New Issuance	1,857,400	Common	9,287	Yes	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Debt Conversion (1)	Unrestricted	Sections 3(a)(9) & 4(a)(1) of 1933 Act
2/27/2020	New Issuance	2,469,864	Common	12,349	Yes	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Debt Conversion (2)	Unrestricted	Sections 3(a)(9) & 4(a)(1) of 1933 Act
2/19/2020	New Issuance	3,427,500	Common	11,996	Yes	NWBB, Inc. (Marc Hatch has voting and investment control)	Debt Conversion (3)	Unrestricted	Sections 3(a)(9) & 4(a)(1) of 1933 Act
3/23/2020	New Issuance	1,238,200	Common	6,191	Yes	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Debt Conversion (4)	Unrestricted	Sections 3(a)(9) & 4(a)(1) of 1933 Act
9/10/2020	New Issuance	1,295,754	Common	6,460	Yes	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Debt Conversion (5)	Unrestricted	Sections 3(a)(9) & 4(a)(1) of 1933 Act

1/6/2021	New Issuance	1,980,492	Common	9,902	Yes	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Debt Conversion (6)	Unrestricted	Sections 3(a)(9) & 4(a)(1) of 1933 Act
6/18/2021	New Issuance	3,210,536	Common	17,658	Yes	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Debt Conversion (7)	Unrestricted	Sections 3(a)(9) & 4(a)(1) of 1933 Act
8/24/2021	New Issuance	2,323,288	Common	11,616	Yes	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Debt Conversion (8)	Unrestricted	Sections 3(a)(9) & 4(a)(1) of 1933 Act
10/21/2021	New Issuance	2,058,608	Common	13,381	Yes	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Debt Conversion (9)	Unrestricted	Sections 3(a)(9) & 4(a)(1) of 1933 Act
11/15/2021	New Issuance	1,018,000	Common	11,402	Yes	Rick Basse Consulting, PLLC. (Rick Basse has voting and investment control)	Consultant Compensation (10)	Restricted	Section 4(a)(2) of 1933 Act
1/20/2022	New Issuance	2,680,065	Common	17,421	Yes	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Debt Conversion (11)	Unrestricted	Sections 3(a)(9) & 4(a)(1) of 1933 Act
4/26/2022	New Issuance	2,078,317	Common	12,470	Yes	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Debt Conversion (12)	Unrestricted	Sections 3(a)(9) & 4(a)(1) of 1933 Act
Shares Outstanding on June 30, 2022 (14)	Ending Balance: Common: 192,116,272 Preferred: 25,928,358 (13)								

Please note the following additional details, including footnotes to the table above:

- (1) The total conversion was \$9,287 of principal and interest into 1,857,400 shares of the Company's common stock at \$0.005 per share to fully satisfy a convertible promissory note dated December 19, 2017.
- (2) The total conversion was \$12,349 of principal and interest into 2,469,864 shares of the Company's common stock at \$0.005 per share to fully satisfy a convertible promissory note dated January 17, 2018.
- (3) The total conversion was \$11,996 of principal and interest into 3,427,500 shares of the Company's common stock at \$0.0035 per share to fully satisfy two convertible promissory notes dated May 20, 2016 and June 13, 2016.

- (4) The total conversion was \$6,191 of principal and interest into 1,238,200 shares of the Company's common stock at \$0.005 per share to fully satisfy a convertible promissory note dated February 21, 2018.
- (5) The total conversion was \$6,460 of principal and interest into 1,295,754 shares of the Company's common stock at \$0.005 per share to fully satisfy a convertible promissory note dated March 7, 2018.
- (6) The conversion was \$9,902 of principal and interest into 1,980,492 shares of the Company's common stock at \$0.005 per share to fully satisfy a convertible promissory note dated November 27, 2018.
- (7) The conversion was \$17,658 of principal and interest into 3,210,536 shares of the Company's common stock at \$0.0055 per share to fully satisfy a convertible promissory note dated June 3, 2019.
- (8) The conversion was \$11,616 of principal and interest into 2,323,288 shares of the Company's common stock at \$0.005 per share to fully satisfy a convertible promissory note dated August 5, 2019.
- (9) The conversion was \$13,381 of principal and interest into 2,058,608 shares of the Company's common stock at \$0.0065 per share to fully satisfy a convertible promissory note dated October 1, 2019.
- (10) A consultant was issued 1,018,000 restricted shares of the Company common stock for accounting services to the Company. The stock was valued at \$11,402 or \$0.1112 per share.
- (11) The conversion was \$17,421 of principal and interest into 2,680,085 shares of the Company's common stock at \$0.0065 per share to fully satisfy a convertible promissory note dated December 30, 2019.
- (12) The conversion was \$12,470 of principal and interest into 2,078,317 shares of the Company's common stock at \$0.006 per share to fully satisfy a convertible promissory note dated April 13, 2020.
- (13) During April 2022, the Company determined 1,400,000 shares of Series A Preferred Stock were converted to shares of the Company's common stock in a prior year. The Company wrote off the 1,400,000 Series A Preferred Stock at March 31, 2022.
- (14) The following shares were not issued as of June 30, 2022:
 - During August 2017, Peter Connick was granted 2,000,000 restricted shares of the Company's common stock for serving as a consultant to the Company. The shares were valued at \$70,000 or \$0.035 per share. The shares were inadvertently omitted from the Company's financial statements and recorded during December 2018. The shares were not issued to Mr. Connick as of August 18, 2022.
 - On March 1, 2019, Barry Henthorn, the Company's CEO, CFO, Principal Accounting Officer, Secretary and Director, earned 5,000,000 restricted shares of the Company's common stock pursuant to the amended employment agreement dated October 10, 2017. The shares were valued at \$64,500 or \$0.0129 per share. The shares were not issued to Mr. Henthorn as of August 18, 2022.
 - During January 2020, two consultants earned an aggregate of 1,000,000 restricted shares of the Company's common stock pursuant to consulting agreements for service to the Company. The shares were valued at \$8,804 or \$0.0088 per share. The shares were not issued to the consultants as of August 18, 2022.
 - On March 1, 2020, Barry Henthorn, the Company's CEO, CFO, Principal Accounting Officer, Secretary and Director, earned 5,000,000 restricted shares of the Company's common stock pursuant to the amended employment agreement dated October 10, 2017. The shares were valued at \$200,000 or \$0.04 per share. The shares were not issued to Mr. Henthorn as of August 18, 2022.
 - During January 2021, a consultant earned 500,000 restricted shares of the Company's common stock pursuant to a consulting agreement for services to the Company. The shares were valued at \$9,000 or \$0.0180 per share. The shares were not issued to the consultant as of August 18, 2022.

- On March 1, 2021, Barry Henthorn, the Company's CEO, CFO, Principal Accounting Officer, Secretary and Director, earned 5,000,000 restricted shares of the Company's common stock pursuant to the amended employment agreement dated October 10, 2017. The shares were valued at \$63,500 or \$.0127 per share. The shares were not issued to Mr. Henthorn as of August 18, 2022.
- During January 2021, two consultants earned an aggregate of 1,000,000 restricted shares of the Company's common stock pursuant to consulting agreements for service to the Company. The shares were valued at \$23,800 or \$.0238 per share. The shares were not issued to the consultants as of August 18, 2022.
- As of June 30, 2022, a consultant has earned 474,433 restricted shares of the Company common stock valued at \$9,244 or \$0.0195 per share for accounting services to the Company. The shares were not issued to the consultant as of August 18, 2022.

B. Debt Securities, including Promissory and Convertible Notes.

The chart below lists and describes all outstanding promissory notes, convertible promissory notes and any other debt instrument that may be converted into a class of the issuer's equity securities as of June 30, 2022.

Check this box if there are no outstanding promissory notes, convertible notes or debt arrangements: ☐

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder	Reason for Issuance (e.g., Loan, Services, etc.)
May 31, 2013	9,045	5,000	4,045	May 31, 2014	Indebtedness convertible to common shares at \$0.025 per Share	T. Scott Steciw	Loan
May 31, 2013	7,236	4,000	3,236	May 31, 2014	Indebtedness convertible to common shares at \$0.025 per Share	T. Scott Steciw	Loan
November 18, 2013	3,525	2,000	1,525	November 18, 2014	Indebtedness convertible to common shares at \$0.025 per Share	Barry Henthorn	Loan
August 5, 2014	21,382	10,000	11,382	August 5, 2015	Indebtedness convertible to common shares at \$0.03 per Share	Barry Henthorn	Loan
December 6, 2014	20,851	10,000	10,851	December 6, 2015	Indebtedness convertible to common shares at \$0.025 per Share	Barry Henthorn	Loan
February 23, 2015	8,203	4,000	4,203	February 23, 2016	Indebtedness convertible to common shares at \$0.015 per Share	Barry Henthorn	Loan

March 9, 2015	10,225	5,000	5,225	March 8, 2016	Indebtedness convertible to common shares at \$0.02 per Share	Barry Henthorn	Loan
May 23, 2015	4,024	2,000	2,024	May 22, 2016	Indebtedness convertible to common shares at \$0.02 per Share	Barry Henthorn	Loan
July 29, 2015	8,516	4,200	4,316	March 1, 2016	Indebtedness convertible to common shares at \$0.015 per Share	Barry Henthorn	Loan
October 22, 2015	21,087	10,000	11,087	April 21, 2015	Indebtedness convertible to common shares at \$0.005 per Share	Mike Adams	Loan
December 1, 2015	7,250	7,250	-	None	N/A	Armando & Elsa Celis	Loan
December 1, 2015	10,700	8,000	2,700	None	N/A	Dove Associates (Jonette Ancheta has voting and investment control)	Loan
December 1, 2015	24,000	24,000	-	None	N/A	Heather Otto	Loan
February 25, 2016	11,565	10,000	4,865	August 24, 2016	Indebtedness convertible to common shares at \$0.005 per Share	T. Scott Steciw	Loan (1)
March 23, 2016	11,515	10,000	4,815	August 23, 2016	Indebtedness convertible to common shares at \$0.005 per Share	Barry Henthorn	Loan (2)
April 11, 2016	14,754	8,000	6,754	April 11, 2017	Indebtedness convertible to common shares at \$0.005 per Share	NWBB, Inc. (Marc Hatch has voting and investment control)	Loan
July 7, 2016	9,177	5,000	4,177	July 6, 2017	Indebtedness convertible to common shares at \$0.005 per Share	Reeltime Rentals Inc. (Barry Henthorn has voting and investment control)	Loan
December 15, 2016	3,531	2,000	1,531	December 15, 2017	Indebtedness convertible to common shares at \$0.0075 per Share	Reeltime Rentals Inc. (Barry Henthorn has voting and investment control)	Loan

June 28, 2017	2,603	1,500	1,103	December 28, 2017	Indebtedness convertible to common shares at \$0.01 per Share	Reeltime Rentals Inc. (Barry Henthorn has voting and investment control)	Loan
September 12, 2017	3,298	2,000	1,298	September 11, 2018	Indebtedness convertible to common shares at \$0.01 per Share	Reeltime Rentals Inc. (Barry Henthorn has voting and investment control)	Loan
March 7, 2018	2,280	1,450	830	March 6, 2019	Indebtedness convertible to common shares at \$0.005 per Share	Barry Henthorn	Loan
April 2, 2018	7,809	5,000	2,809	April 1, 2019	Indebtedness convertible to common shares at \$0.005 per Share	T. Scott Steciw	Loan
May 7, 2018	296,830	230,090	83,240	May 7, 2019	Indebtedness convertible to common shares at \$0.025 per Share	Ron Henthorn	Loan Consolidation (3)
May 7, 2018	2,319	1,500	819	May 6, 2019	Indebtedness convertible to common shares at \$0.005 per Share	Ron Henthorn	Loan
May 29, 2018	3,302	2,000	1,302	June 29, 2018	N/A	Reeltime Rentals Inc.	Loan
June 29, 2018	3,048	2,000	1,048	June 28, 2019	Indebtedness convertible to common shares at \$0.0035 per Share	T. Scott Steciw	Loan
July 23, 2018	2,303	1,500	803	May 7, 2019	Indebtedness convertible to common shares at \$0.0035 per Share	Jean Thrower	Loan
September 5, 2018	2,241	1,500	741	September 4, 2019	Indebtedness convertible to common shares at \$0.0025 per Share	Supplier Development Systems, LLC (Jean Thrower, has voting and investment control)	Loan
September 13, 2018	1,051	705	346	September 12, 2019	Indebtedness convertible to common shares at \$0.005 per Share	T. Scott Steciw	Loan

November 27, 2018	1,499	1,000	499	November 26, 2019	Indebtedness convertible to common shares at \$0.005 per Share	T. Scott Steciw	Loan
December 1, 2018	4,495	3,000	1,495	November 30, 2019	Indebtedness convertible to common shares at \$0.005 per Share	T. Scott Steciw	Loan
January 20, 2019	4,430	3,000	1,430	January 19, 2020	Indebtedness convertible to common shares at \$0.005 per Share	T. Scott Steciw	Loan
April 8, 2019	2,122	1,500	622	April 8, 2020	Indebtedness convertible to common shares at \$0.0075 per Share	T. Scott Steciw	Loan
July 5, 2019	4,547	3,500	1,047	July 5, 2021	Indebtedness convertible to common shares at \$0.005 per Share	Ron Henthorn	Loan
May 29, 2020	7,002	6,000	1,002	May 29, 2022	Indebtedness convertible to common shares at \$0.005 per Share	NWBB, Inc. (Marc Hatch has voting and investment control)	Loan
June 2, 2020	4,082	3,500	582	June 2, 2022	Indebtedness convertible to common shares at \$0.005 per Share	Reeltime Rentals Inc. (Barry Henthorn has voting and investment control)	Loan
June 5, 2020	10,501	9,000	1,501	June 5, 2021	N/A	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan
June 5, 2020	10,501	9,000	1,501	June 5, 2021	N/A	NWBB, Inc. (Marc Hatch has voting and investment control)	Loan
June 11, 2020	1,237	1,000	237	June 11, 2021	Indebtedness convertible to common shares at \$0.0065 per Share	Ron Henthorn	Loan
September 10, 2020	5,701	5,000	701	September 10, 2021	N/A	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan

September 10, 2020	5,701	5,000	701	September 10, 2021	N/A	NWBB, Inc. (Marc Hatch has voting and investment control)	Loan
December 22, 2020	19,629	17,500	2,129	December 22, 2022	Indebtedness convertible to common shares at \$0.007 per Share	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan
January 28, 2021	12,248	11,000	1,248	January 27, 2023	Indebtedness convertible to common shares at \$0.01 per Share	NWBB, Inc. (Marc Hatch has voting and investment control)	Loan
January 28, 2021	12,248	11,000	1,248	January 27, 2023	Indebtedness convertible to common shares at \$0.01 per Share	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan
March 19, 2021	22,051	20,000	2,051	March 19, 2023	Indebtedness convertible to common shares at \$0.01 per Share	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan
April 23, 2021	19,708	18,000	1,708	April 23, 2023	Indebtedness convertible to common shares at \$0.01 per Share	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan
June 16, 2021	21,661	20,000	1,661	June 16, 2023	Indebtedness convertible to common shares at \$0.01 per Share	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan
July 22, 2021	19,353	18,000	1,353	July 22, 2023	Indebtedness convertible to common shares at \$0.005 per Share	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan
August 2, 2021	1,048	1,000	48	August 2, 2022	Indebtedness convertible to common shares at \$0.0075 per Share	Prime Victor, LLC (Barry Henthorn has voting and investment control)	Loan
August 3, 2021	18,769	17,500	1,269	August 3, 2023	Indebtedness convertible to common shares at \$0.0075 per Share	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan

August 27, 2021	18,677	17,500	1,177	August 27, 2023	Indebtedness convertible to common shares at \$0.0075 per Share	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan
September 24, 2021	15,917	15,000	917	September 24, 2023	Indebtedness convertible to common shares at \$0.0075 per Share	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan
October 18, 2021	21,117	20,000	1,117	October 18, 2023	Indebtedness convertible to common shares at \$0.0075 per Share	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan
November 19, 2021	15,733	15,000	733	November 19, 2023	Indebtedness convertible to common shares at \$0.0075 per Share	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan
December 22, 2021	11,979	11,500	479	December 22, 2023	Indebtedness convertible to common shares at \$0.005 per Share	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan
January 26, 2022	20,679	20,000	679	January 26, 2024	Indebtedness convertible to common shares at \$0.005 per Share	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan
March 4, 2022	7,181	7,000	181	March 4, 2024	Indebtedness convertible to common shares at \$0.005 per Share	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan
April 26, 2022	14,199	14,000	199	April 25, 2024	Indebtedness convertible to common shares at \$0.005 per Share	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan

Please note the following additional details, including footnotes to the table above:

- (1) On December 14, 2017, noteholder converted \$5,506 of principal and interest into 1,101,232 unrestricted shares of the Company's common stock at \$.005 per share to partially satisfy a convertible note dated February 25, 2016.
- (2) On March 15, 2018, noteholder converted \$5,531 of principal and interest into 1,106,144 unrestricted shares of the Company's common stock at \$.005 per share to partially satisfy a convertible note dated March 23, 2016.
- (3) The Consolidated Convertible Promissory Note dated May 7, 2018 was executed and delivered to Mr. Ron Henthorn with principal in the amount of \$230,089.87 (\$256,915.07 less \$26,825.20) to correct an inadvertent conversion of Common Stock.

The original conversion was \$26,231 of indebtedness due on 4 promissory notes into 4,959,729 shares of the Company's common stock at \$0.0053 per share to fully satisfy two convertible promissory notes dated October 22, 2015 and December 15, 2015. The remaining two notes were noted to have been indebtedness previously converted into shares of the Company's common stock. During March 2018, it was discovered the individual had inadvertently converted \$26,825.20 in indebtedness due and owing on four (4) convertible promissory notes into 3,301,040 shares of the Company's common stock. Two of these notes were converted during 2017, in addition to the two notes mentioned above. On May 7, 2018, the Company and individual agreed to consolidate four (4) demand notes with an aggregate principal amount of \$256,915.07 into a single consolidated convertible promissory note and reduce the principal balance by \$26,825.20 arising from the inadvertent duplicate conversion of amounts due and owing under the four (4) convertible notes which has been previously converted by the individual as mentioned above. The four (4) demand promissory notes consolidated into a single consolidated convertible promissory note are as follows:

- i. \$53,174.34 promissory note dated December 31, 2016;
- ii. \$74,373.65 promissory note dated July 2, 2012;
- iii. \$58,860.00 promissory note dated September 17, 2012;
- iv. \$70,507.08 promissory note dated December 14, 2012.

Debt securities, including promissory and convertible notes issued after June 30, 2022:

1. On July 25, 2022, the Company issued a \$11,500 convertible promissory note to Capital Consulting, Inc. (Mark Schaftlein has voting and investment control). The convertible note bears interest at 8% and has a maturity date of July 25, 2024 at which time all principal and accrued interest shall be due and payable in full. Prepayment is permitted without penalty. After maturity, the interest rate remains 8%. The convertible note is convertible by the holder, at its election, into shares of the Company's common stock at an exercise price of \$0.005 per share.
2. On August 4, 2022, the Company issued a \$13,500 convertible promissory note to Capital Consulting, Inc. (Mark Schaftlein has voting and investment control). The convertible note bears interest at 8% and has a maturity date of August 4, 2024 at which time all principal and accrued interest shall be due and payable in full. Prepayment is permitted without penalty. After maturity, the interest rate remains 8%. The convertible note is convertible by the holder, at its election, into shares of the Company's common stock at an exercise price of \$0.005 per share.

Item 4. Financial Statements.

A. The following financial statements were prepared in accordance with:

- ☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by:

Name: Rick Basse, CPA
Title: Owner of Rick Basse Consulting, PLLC
Relationship to Issuer: Accountant engaged by Company

The following financial statements described below are provided and incorporated by this reference for the most recent fiscal year or quarter:

- C. Consolidated Balance Sheets;
- D. Consolidated Statements of Operations;
- E. Statement of Changes in Shareholders' Equity
- F. Statement of Cash Flows;
- G. Financial Notes; and
- H. Audit letter, if audited (the Company was not Audited)

Management's Discussion and Analysis or Plan of Operation.

A. Plan of Operation. The Company is focusing upon developing e-commerce sales of its coffee related products and our Munchie Magic subsidiary. For the six months ended June 30, 2022 and 2021, our revenues were \$132,178, and \$112,606, respectively, and we incurred net losses of \$213,601 and \$197,698, respectively. We have an accumulated deficit since inception of \$17,343,598. These factors, among others, indicate that the Company might be unable to continue as a going concern for a reasonable period of time. Our Munchie Magic subsidiary began generating revenues in April 2020. For the six months ended June 30, 2022 and 2021 respectively, Munchie Magic generated \$116,707 and \$100,775 of revenues and \$18,349 and \$19,714 of gross margin. We continue to be optimistic about the growth of this business.

For the foreseeable future, our operating plan is dependent upon both the ability to conserve existing cash resources and the ability to obtain additional capital through equity financing and/or debt financing to provide the necessary funds and cash flow to meet our obligations on a timely basis and to execute our business plan. In the event that we are unable to conserve existing cash resources and/or obtain the additional and necessary capital, the Company may have to materially reduce, or potentially cease, its operations. This would materially impact the Company's ability to continue as a going concern for a reasonable period of time.

Liquidity and Capital Resources

As of June 30, 2022, we had cash of \$2,041 and a working capital deficit of \$528,854. This compares to cash of \$3,348 and a working capital deficit of \$416,902 at December 31, 2021.

Based on anticipated operating and administrative expenses, the Company will not have sufficient cash resources to finance its operations except for several months unless we are able to raise additional equity financing and/or debt financing in the immediate future. We have commenced, and will continue to pursue, efforts to raise additional equity financing and/or debt financing from a variety of sources and means. There are no assurances that we will be able to obtain any additional financing and, even if obtained, that such financing will be in a sufficient amount to be able to continue operations for a sufficient period until the Company is able to generate sufficient revenues and become profitable.

B. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Results of Operations for the three months ended June 30, 2022 compared to the three months ended June 30, 2021:

Overview. Baristas Coffee Company, Inc., is a Nevada corporation, originally formed on October 18, 1996. We are focusing on developing e-commerce opportunities for the sale of our coffee related products and our Munchie Magic business. Our net losses were \$110,241 and \$116,583 comparing the three months ended June 30, 2022 to the three months ended June 30, 2021. The \$6,342 decrease in net losses is attributable to the factors listed below.

Revenues. We generated revenues of \$56,911 and \$49,367 from our Munchie Magic business during the three months ended June 30, 2022 and 2021, respectively. We generated total revenues from operations of \$63,881 and \$56,278 for the three months ended June 30, 2022 and 2021, respectively. The increase of \$7,603 is primarily attributable to our Munchie Magic business growth for the three months ended June 30, 2022.

Gross Margins. Once cost of revenues are considered, we reported gross margins of \$9,426 or 15% of sales and \$8,829 or 16% of sales for the three months ended June 30, 2022 and 2021, respectively. The increase of \$597 is attributable to the increased sales volume from our Munchie Magic subsidiary.

Operating Expenses. Our operating expenses were \$80,472 and \$103,682 for the three months ended June 30, 2022 and 2021, respectively. The decrease of \$23,210 was attributable to an approximate \$6,000 decrease in stock-based compensation for our CEO and others, an approximate \$6,000 decrease in other general and administrative expense and an approximate \$11,000 decrease in professional and consulting fees primarily attributable to reduced compensation for our CEO.

Other (Income) Expense. Our total other (income) expense was \$39,195 and \$21,730 for the three months ended June 30, 2022 and 2021, respectively. The increase of \$17,465 in expense was attributable to a \$17,645 increase in interest expense from new convertible related party and third-party promissory notes and related debt discounts

Results of Operations for the six months ended June 30, 2022 compared to the six months ended June 30, 2021:

Overview. Baristas Coffee Company, Inc., is a Nevada corporation, originally formed on October 18, 1996. We are focusing on developing e-commerce opportunities for the sale of our coffee related products and our Munchie Magic business. Our net losses were \$213,601 and \$197,698 comparing the six months ended June 30, 2022 to the six months ended June 30, 2021. The \$15,903 increase in net losses is attributable to the factors listed below.

Revenues. We generated revenues of \$116,707 and \$100,775 from our Munchie Magic business during the six months ended June 30, 2022 and 2021, respectively. We generated total revenues from operations of \$132,178 and \$112,606 for the six months ended June 30, 2022 and 2021, respectively. The increase of \$19,572 is primarily attributable to our Munchie Magic business growth for the six months ended June 30, 2022.

Gross Margins. Once cost of revenues are considered, we reported gross margins of \$26,369 or 20% of sales and \$18,461 or 16% of sales for the six months ended June 30, 2022 and 2021, respectively. The increase of \$7,908 is attributable to the increased sales volume from our Munchie Magic subsidiary.

Operating Expenses. Our operating expenses were \$163,857 and \$177,774 for the six months ended June 30, 2022 and 2021, respectively. The decrease of \$13,917 was attributable to an approximate \$16,000 decrease in stock-based compensation for our CEO and others and an approximate \$12,000 decrease in other general and administrative expense, offset by an approximate \$14,000 increase in professional and consulting fees primarily attributable to higher professional fees for our new Munchie Magic business.

Other (Income) Expense. Our total other (income) expense was \$76,113 and \$38,385 for the six months ended June 30, 2022 and 2021, respectively. The increase of \$37,728 in expense was attributable to a \$37,728 increase in interest expense from new convertible related party and third-party promissory notes and related debt discounts.

Capital Structure and Resources

We had total assets of \$941,264 as of June 30, 2022, which consisted of cash of \$2,041, inventory of \$42, prepaid expenses of \$2,332, related party notes receivable of \$619,649 (including accrued interest), barter exchange of \$67,200 and goodwill of \$250,000.

We had total liabilities of \$1,211,976 as of June 30, 2022 consisting of accounts payable of \$55,505, accrued expenses of \$476,203, related party notes payable of \$2,000, notes payable of \$67,250, related party convertible notes payable of \$60,267 (net of discount), convertible notes payable of \$333,989 (net of discount), royalty payable of \$31,507 from our Munchie Magic subsidiary, and long-term convertible notes payable of \$59,058 (net of discount). For further information and details for the accrued expense see Note 5 (Accrued Expenses) to the financial statements attached hereto as Exhibit A. For further information and details on convertible notes and notes payable which have been issued, see Note 6 (Notes Payable) to the financial statements attached hereto as Exhibit A and information set forth in Item 3 B above.

At June 30, 2022, we had total stockholders' deficiency of \$270,712. We have net losses since inception and an accumulated deficit of \$17,343,598 at June 30, 2022.

We used net cash in operating activities of \$48,307 for the six months ended June 30, 2022. Net cash of \$47,000 was provided by financing activities for the six months ended June 30, 2022 from promissory notes from a corporation for \$41,000 and a \$6,000 cash advance from a corporation.

PART B BUSINESS INFORMATION

Item 5. Issuer's Business, Products and Services.

A. Summary of the Issuer's Business Operations.

Current Operations

Baristas operations focus upon two (2) specific businesses, each of which is described in further detail below:

1. Coffee Business and Products. Baristas is a national Coffee Company that is recognized throughout the US from its mainstream exposure when it was the subject of "Grounded in Seattle," the reality show special feature which aired on WE TV. Pertinent material aspects of our coffee business and product offering are summarized as follows:

- Until June, 2017 when it sold its last retail location, Baristas provided customers the ability to drive up and order their choice of a custom-blended espresso drinks, freshly brewed coffee or other beverages through its drive-thru locations.
- During 2016, Baristas refocused its business to concentrate on its wholesale and direct to consumer coffee-based products under the Baristas brand such as single serve coffee pods compatible with the Keurig 2.0 brewing system. The Baristas special "Espresso Blend" and its revolutionary "White Coffee" single serve cups have become strong sellers, with the lightly roasted 3X the caffeine, "White Coffee" becoming the bestselling product in the nation in its category.
- On Oct. 23, 2018, the Company announced the creation of a new line of infused coffee called Baristas "EnrichaRoast" that promotes healthy living. Baristas makes no claims whatsoever about the benefits or risks associated with the consumption of any of the ingredients that may or may not be contained in Baristas various blends. Some possible ingredients are caffeine, CDB, sugar, artificial sweeteners, artificial colors, etc. Baristas strongly encourages consumers to do their own research on the specific ingredients before consuming. Research is readily available and is being updated on an ongoing basis.
- On September 11, 2019, Baristas announced that it had purchased and installed a line of manufacturing equipment that now allows for end-to-end production of single-serve pods compatible with the Keurig 2.0 brewing system as well as the Nespresso single-serve system.
- On September 18, 2019, Baristas announced that it had begun production of a new coffee entitled "Baristas Harmony" that blends white and black coffee equally creating a smooth blend encompassing the robust flavor of its Espresso Roast with the smooth nutty flavor of its White Coffee with a kick. Baristas Harmony also contains a message to take a minute and reflect on "Harmony" long enough to enjoy a cup of truly special coffee.

- During the years ending 2020 and 2021 and six months ended June 30, 2022, Baristas experienced difficulty with production and distribution of its coffee products. Production was halted from our third-party supplier due to Covid causing its production facility to close and then re-open, but only at limited production capabilities. Distribution particularly from Amazon was also impacted as Amazon placed a priority on products that were essential for survival and for a period stopped accepting non-critical items. Baristas utilized its micro production facility but also experienced issues with obtaining raw goods and packaging. Production and distribution has begun to return to previous levels.

Baristas obtains its raw material from a variety of suppliers that are very competitive and reasonably generic in offering. Other than recent interruptions arising from Covid as noted above, we do not anticipate any similar disruptions in obtaining raw goods for our coffee related products. The Company is not dependent on one or a few major customers.

2. Virtual Restaurant Concept. On February 27, 2020, Baristas formed Munchie Magic, Inc., a Washington corporation, in furtherance of our virtual restaurant concept. Based on the transfer and assignment of rights in a series of assets and intellectual property rights, Baristas is the majority shareholder owning 780 shares of the 1,500 authorized Munchie Magic shares. Munchie Magic, Inc. is a majority owned subsidiary of Baristas.

The initial virtual restaurant concept focused upon menu items consisting of basic munchie food items (including Baristas coffee products, Ben & Jerry's ice cream, Doritos, energy drinks and other similar package foods) which are ordered and paid for by a customer using a third-party partner app (e.g. DoorDash, Uber Eats, etc.), which order is fulfilled and packaged by a participating pickup business (principally consisting of 24-hour convenience stores) and then picked up by the delivery partner for delivery to the customer at a work or home location. Using this concept, Munchie Magic began generating revenues in April 2020.

During 2021, the virtual restaurant concept was expanded by adding Munchie Magic DBA MiniBar Magic for alcoholic beverages and Munchie Magic DBA Thai Dah, a virtual restaurant platform for Thai restaurants led by international Thai superstar Front Montgomery. These two new virtual restaurants each have a bank account and are treated as separate businesses. Munchie Magic has opened more than 50 locations in 10 states delivering Ben & Jerry's ice cream, snacks, beer, wine, hard alcohol, and hot foods to customers via delivery partners DoorDash, GrubHub, and Uber Eats. For the six months ended June 30, 2022, Munchie Magic generated approximately \$60,000 of revenues and approximately \$10,000 of gross margin. We continue to be optimistic about the future growth of this business.

Material Contracts

The material contracts arising from, or applicable to, our coffee product business include the following:

On October 1, 2019, the Company entered into a twenty-four-month agreement with Reeltime Rentals, Inc, a related corporation, to provide various services including product development, social media management, website development and other services. The agreement was extended for an additional twenty-four months through September 30, 2023. The Company will pay the related corporation \$1,000 per month. The amounts earned by the related corporation were \$6,000 for the six months ended June 30, 2022. All amounts due under this agreement were paid to the related corporation.

Since January 1, 2020, the Company has entered into consulting agreements with an individual to provide technology related services to the Company. Under the consulting agreement dated January 1, 2020, the consultant earned 500,000 restricted shares of the Company's common stock on January 1, 2021. The shares were valued at \$9,000 or \$.018 per share. The shares were not issued to the consultant as of August 18, 2022. Under the next consulting agreement dated January 1, 2021, the consultant will earn 500,000 restricted shares of the Company's common stock on January 1, 2022. The shares were valued at \$7,900 or \$.0158 per share. The shares were not issued to the consultant as of August 18, 2022. Under the next consulting agreement dated January 1, 2022, the consultant will earn 500,000 restricted shares of the Company's common stock on January 1, 2023. The shares were valued at \$8,300 or \$.0166 per share. The shares were not earned by the consultant as of August 18, 2022.

The material contracts arising from, or applicable to, Munchie Magic, Inc., our majority owned subsidiary, include the following:

On March 1, 2020, the Munchie Magic subsidiary entered into a twenty-four-month agreement with Reeltime Rentals, Inc, a related corporation, to provide various services including product development, social media management, website development and other services. Under the agreement, the Munchie Magic subsidiary paid \$5,000 for month one, \$4,000 for month two and \$3,500 per month thereafter to the related corporation. On March 1, 2022, the Munchie Magic subsidiary entered into a second twenty-four-month agreement with Reeltime Rentals, Inc, a related corporation, to provide various services including product development, social media management, website development and other services. Under the agreement, the Munchie Magic subsidiary pays \$3,500 per month to the related corporation. The related corporation earned \$21,000 under the agreement for the six months ended June 30, 2022. Under the agreement, Munchie Magic owed the related corporation \$53,115 at June 30, 2022.

On March 1, 2020, a Work for Hire Agreement was signed between the Munchie Magic subsidiary and Barry Henthorn, the Company's CEO. Mr. Henthorn is compensated with \$3,500 cash per month. In addition, Mr. Henthorn was entitled to receive a \$10,000 cash bonus for securing the first and second round of funding and additional bonuses for meeting certain milestones. As of May 31, 2020, both the first and second round of funding were finalized, and Mr. Henthorn was paid the \$10,000 cash bonus. The Work for Hire Agreement terminated on April 22, 2021. As of June 30, 2022, Mr. Henthorn is owed \$15,467 under the agreement.

On March 4, 2020, Munchie Magic signed a Royalty Payment Agreement with Barry Henthorn, the Company's CEO. Under the agreement, Mr. Henthorn will earn a royalty equal to 11.11% of the net profits of the Munchie Magic business and receive 240 shares of Munchie Magic common stock.

On March 5, 2020, Munchie Magic offered to sell four investment units valued at \$9,000 each. Each unit included 120 shares of Munchie Magic stock and a royalty equal to 5.555% of the net profits of the Munchie Magic business. A corporation purchased two of the units for \$18,000 in March and April 2020. A second corporation purchased the final two units for \$18,000 in March 2020 and April 2020.

On January 12, 2021, Munchie Magic, signed a Worldwide Exclusive Limited Perpetual Technology, Business Model and Processes Licensing Agreement with a related corporation (Reeltime Rentals Inc.) for developing, implementing, and marketing various technologies, business models and processes. Under the agreement, Munchie Magic will pay a license fee to the related corporation equal to \$.35 per transaction (customer order).

Since January 25, 2021, the Company has entered into consulting agreements with an individual to provide technology related services to the Company. Under the consulting agreement dated January 25, 2021, the consultant earned 500,000 restricted shares of the Company's common stock on January 25, 2022. The shares were valued at \$15,900 or \$.0318 per share. The shares were not issued to the consultant as of August 18, 2022. Under the next consulting agreement dated January 25, 2022, the consultant will earn 500,000 restricted shares of the Company's common stock on January 25, 2023. The shares were valued at \$8,200 or \$.0164 per share. The shares were not earned by the consultant as of August 18, 2022.

On August 16, 2021, Munchie Magic signed a one-year Sales Consultant Agreement with Florence "Front" Montgomery to manage the selling process for the new Munchie Magic DBA Thai Dah virtual restaurant platform for Thai restaurants. The consultant is compensated with \$2,500 per month for an aggregate of \$30,000 over the term of the contract. In addition, on August 16, 2021, Munchie Magic signed a Munchie Magic - Thai Dah Royalty Payment Agreement with Ms. Montgomery. Under the agreement, Ms. Montgomery will earn a royalty equal to 8.3325% of the net profits of the Thai Dah business. As of June 30, 2022, Ms. Montgomery has earned fees in the amount of \$26,250 of which \$3,750 have been paid and \$22,500 remain due and owing.

On August 16, 2021, Munchie Magic signed three Munchie Magic - Thai Dah Royalty Payment Agreements with Barry Henthorn, the Company's CEO and two corporations. Under the agreement, the Company's CEO and two corporations will each earn a royalty equal to 8.3325% of the net profits of the Thai Dah business. The Company desires to establish an opportunity for these potential investors to receive payment based on a specified percentage of the net profits generated by Thai Dah.

On August 16, 2021, Munchie Magic DBA Thai Dah, signed a Worldwide Exclusive Limited Perpetual Technology, Business Model and Processes Licensing Agreement with a related corporation (Reeltime Rentals Inc.) for developing, implementing, and marketing various technologies, business models and processes. Under the agreement, Thai Dah will pay a license fee to the related corporation equal to \$.35 per transaction (customer order).

On August 16, 2021, Munchie Magic DBA MiniBar Magic, signed a Worldwide Exclusive Limited Perpetual Technology, Business Model and Processes Licensing Agreement with a related corporation (Reeltime Rentals Inc.) for developing, implementing, and marketing various technologies, business models and processes. Under the agreement, MiniBar Magic will pay a license fee to the related corporation equal to \$.35 per transaction (customer order).

For the six months ended June 30, 2022, license fees for the Worldwide Exclusive Limited Perpetual Technology, Business Model and Processes Licensing Agreements for Munchie Magic, Munchie Magic - Thai Dah, and Munchie Magic DBA MiniBar Magic in the amount of \$3,114 were earned and paid to the related corporation.

Executive Contracts are as follows:

On March 1, 2015, the Company signed five-year Executive Employment Contracts with Barry Henthorn, the Company's CEO, and Scott Steciw, the Company's former President. Mr. Steciw, resigned from the Company on December 31, 2018. Each Executive was compensated with 3,000,000 shares for an aggregate of 6,000,000 restricted shares of the Company's common stock for services performed from March 1, 2009 to February 28, 2015. These shares were issued in 2015 and valued at \$2,304,000 or \$0.384 per share. In addition, each executive will be compensated with 500,000 restricted shares of the Company's common stock payable on each anniversary beginning March 1, 2015. On September 16, 2015, each Executive was issued 500,000 shares for an aggregate of 1,000,000 restricted shares of the Company's common stock for services performed from March 1, 2015 to February 28, 2016. These shares were valued at \$222,160 or \$0.221 per share. On October 10, 2017, the Company amended the employment agreements to increase the number of shares from 500,000 per Executive to 5,000,000 shares per Executive for an aggregate of 10,000,000 restricted shares of the Company's common stock for services performed each year starting March 1, 2016 to February 29, 2020, an aggregate of four years or 40,000,000 shares of the Company's common stock. The Executives earned 10,000,000 restricted shares valued at \$953,568 or \$.0954 per share for the year March 1, 2016 through February 28, 2017 and earned 10,000,000 restricted shares valued at \$74,500 or \$.00745 per share for the year March 1, 2017 through February 28, 2018. The February 28, 2017 & 2018 shares were issued in January and February 2019. Mr. Henthorn earned 5,000,000 restricted shares valued at \$64,500 or \$0.0129 per share for the year March 1, 2018 through February 28, 2019. Mr. Henthorn earned 5,000,000 restricted shares valued at \$200,000 or \$0.04 per share for the year March 1, 2019 through February 29, 2020. The subject shares for the 12-month periods ended February 28, 2019 and February 29, 2020 for an aggregate of 10,000,000 shares have not been issued to Mr. Henthorn as of August 18, 2022. The contract ended on February 29, 2020.

On March 1, 2020, the Company signed a one-year Executive Consultant Compensation Agreement with Barry Henthorn, the Company's CEO, for services to the Company. Mr. Henthorn will be compensated with 5,000,000 restricted shares of the Company's common stock for services performed from March 1, 2020 to February 28, 2021. These shares were earned on March 1, 2021. The 5,000,000 shares were valued at \$63,500 or \$0.0127 per share. The subject shares have not been issued to Mr. Henthorn as of August 18, 2022. With termination of the foregoing agreement, on March 22, 2021, the Company signed a one-year Work for Hire Agreement with Prime Vector, LLC for general consulting services rendered to the Company. Prime Vector, LLC is a Company owned by Barry Henthorn, the Company's CEO. The consultant will be paid \$10,000 per month for an aggregate of \$120,000 over the term of the contract. On March 22, 2022, the Company signed a second one-year Work for Hire Agreement with Prime Vector, LLC for general consulting services rendered to the Company. Prime Vector, LLC is a Company owned by Barry Henthorn, the Company's CEO. The consultant will be paid \$10,000 per month for an aggregate of \$120,000 over the term of the contract. As of June 30, 2022, Mr. Henthorn is owed \$32,709 under the agreement.

B. Describe any subsidiaries, parents or affiliated companies, if applicable, and a description of their contact information for the business, officers, directors, managers or control persons.

The Company's majority owned subsidiary is Munchie Magic, Inc. For further description of the business activities of, and various agreements with, Munchie Magic, Inc., see Item 5A above.

The Company's management team also supports ReelTime Rental Inc. ("Reeltime"). Reeltime provides various services including, but not limited to, product development, social media management, website creation, customer service, ad financing, ad planning, production, distribution and ad placement from available Reeltime inventories and placement opportunities. See Item 5A (Material Contracts) above for further description of the various agreements with, services provided by, and amounts paid to Reeltime by the Company or its majority owned subsidiary, Munchie Magic, Inc.

C. Principal Products or Services, and Their Markets.

Baristas manufactures or contracts manufacturing of several wholesale coffee related products for sale and as retail consumer products. Its primary product is white coffee. White coffee is a low roasted less acidic coffee that is sold under the Baristas Brand in several forms. It is available in single serve capsules that are compatible with the Keurig 2.0 brewing system, as ground coffee in bags, and as an ingredient in other products. In 2019, Baristas launched a variety of CBD coffee products under the “Baristas EnrichaRoast” brand. This was available under “Hemp”, “CBD”, and “Canamo” labels. However, Baristas ceased all CBD related products in 2021 and does not manufacture, market or distribute any CBD, Hemp or any other marijuana derivative products. Baristas also manufactures and markets a Coffee based line of cosmetics namely its “Morning Mask” label that is derived from its raw high-end coffee goods.

On February 27, 2020, we formed Munchie Magic, Inc. in furtherance of our virtual restaurant concept. During 2021 we added MiniBar Magic for alcoholic beverages and Thai Dah, a virtual restaurant platform for Thai restaurants led by international Thai superstar Front Montgomery. Munchie Magic has opened more than 50 locations in 10 states delivering Ben & Jerry's ice cream, snacks, beer, wine, hard alcohol, and hot foods to customers via delivery partners DoorDash, GrubHub, and Uber Eats for delivery to consumers at work or home.

Item 6. Issuer’s Facilities.

Description of Corporate Offices

Baristas’ corporate offices are located at 2926 184th PL SE, Bothell, WA 98012, being provided at \$500 per month by the Company’s CEO, Barry Henthorn.

We believe that our current facilities are adequate for our operations as currently conducted and if additional facilities are required, that we could obtain them at commercially reasonable prices.

The Company does not lease any assets, properties or other facilities.

PART C MANAGEMENT STRUCTURE AND FINANCIAL INFORMATION

Item 7. Officers, Directors and Control Persons.

The table below provides information regarding any person or entity owning 5% or more of any class of the Company's equity securities as of August 18, 2022, as well as any officer, and any director of the Company, regardless of the number of shares owned. Also, if any listed person are corporate shareholders or entities, information is provided as to the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information of an individual representing the corporation or entity in the Note section.

Name of Officer/Director and Control Person	Affiliation with Company (e.g., Officer/Director/Owner of more than 5%)	Residential Address (City/State only)	Number of Shares owned	Share type/class	Ownership Percentage of Class Outstanding (1)	Note
Barry Henthorn	CEO, CFO, Principal Accounting Officer, Secretary, Director	Bothell, Washington	18,285,254(3) 12,762,358	Common Series A Preferred	9.5% 49.2%	
Scott Steciw	Former President, Treasurer, Director (2)	Tampa, Florida	19,051,501 (3) 12,866,000	Common Series A Preferred	9.9% 49.6%	

Use the space below to provide any additional details, including footnotes to the table above

(1) As of August 18, 2022, there were 192,116,272 shares of common stock and 25,928,358 shares of Series A preferred stock issued and outstanding.

(2) Mr. Steciw resigned as an officer and director of the Company on December 31, 2018.

(3) Number of shares does not reflect additional shares earned but not yet issued as referenced in footnote (19) in Item 3A above.

Item 8. Legal/Disciplinary History.

A. Please identify whether any of the persons listed above have, in the past 10 years, been subject to any of the following:

1. A conviction in a criminal proceeding or named as a defendant in a pending criminal proceeding (excluding traffic violations and other minor offenses);

NONE

2. The entry of an order, judgment, or decree, not subsequently reversed, suspended or vacated, by a court of competent jurisdiction that permanently or temporarily enjoined, barred, suspended or otherwise limited such person's involvement in any type of business, securities, commodities, or banking activities;

NONE

3. A finding or judgment by a court of competent jurisdiction (in a civil action), the Securities and Exchange Commission, the Commodity Futures Trading Commission, or a state securities regulator of a violation of federal or state securities or commodities law, which finding or judgment has not been reversed, suspended or vacated; or

NONE

4. The entry of an order by a self-regulatory organization that permanently or temporarily barred suspended or otherwise limited such person's involvement in any type of business or securities activities.

NONE

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incident to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceeding known to be contemplated by governmental authorities.

NONE

Item 9. Third Party Providers

1. Securities Counsel: Patrick J. Russell, Esq.
Allen Vellone Wolf Helfrich & Factor, P.C.
1600 Stout Street, Suite 1900
Denver, Colorado 80202
Phone no.: (303) 534-4499
Email: prussell@allen-vellone.com
2. Accountant: Rick Basse, CPA
Rick Basse Consulting, PLLC
244 Majestic Oak Drive
New Braunfels, Texas 78132
Phone no.: (210) 347-0374
Email: rick.basse@gmail.com
3. Investor Relations Consultant: None
4. Other Service Providers:

The name(s) of other service provider(s), including counsel, advisor(s) or consultant(s) that assisted, advised, prepared or provided information with respect to this disclosure statement, or provided assistance or services to the Company during the Reporting Period are as follows:

Name: Marc Hatch
Firm: NWBB, Inc.
Nature of Services: Consulting and Advisory Services for operations.
Address: P.O. Box 430, Washougal, WA 98671
Phone: (360)818-9318 Ext. 700
Email: marc@nwbbi.com

Name: Joshua Willeart
Firm:
Nature of Services: Production of marketing materials.
Address: 3814 237th Pl. SW Brier WA 98036
Phone: (507)317-7671
Email: joshwillaert@hotmail.com

Name: Laura Alvarez
Firm:
Nature of Services: Technology services related to video and audio editing, production, design and research.
Address: 3814 237th PL SW Brier, WA, 98036
Phone: (360)932-0435
Email: laura@reeltime.com

Item 10. Issuer's Certifications.

I, Barry Henthorn, certify that:

1. I have reviewed the June 30, 2022 Quarterly Report of Baristas Coffee Company, 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 statement, 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.

Dated: August 18, 2022.

BARISTAS COFFEE COMPANY, INC.

By /s/ Barry Henthorn
Barry Henthorn, Chief Executive Officer, Chief Financial
Officer, Director

Exhibit A

BARISTAS COFFEE COMPANY, INC.

2926 184th PL SE
Bothell, WA 98012

Financial Statements and Notes
For the Three and Six months ended June 30, 2022 and 2021

BARISTAS COFFEE COMPANY INC.

Consolidated Balance Sheets (Unaudited)

	June 30, 2022	December 31, 2021
Assets		
Current assets:		
Cash	\$ 2,041	\$ 3,348
Inventory	42	2,849
Prepaid expenses	2,332	2,332
Notes receivable - related parties	619,649	598,434
Total current assets	624,064	606,963
Other assets		
Barter exchange	67,200	67,200
Goodwill	250,000	250,000
Total other assets	317,200	317,200
Total Assets	\$ 941,264	\$ 924,163
Liabilities and Stockholders' Equity (Deficiency)		
Current liabilities:		
Accounts payable	\$ 55,505	\$ 43,261
Accrued expenses	476,203	450,418
Due to related parties	126,197	75,147
Related party notes payable	2,000	2,000
Notes payable	67,250	67,250
Related party convertible notes, net of discount of \$83 and \$583 at June 30, 2022 and December 31, 2021, respectively	60,267	56,267
Convertible notes, net of discount of \$31,006 and \$458 at June 30, 2022 and December 31, 2021, respectively	333,989	304,610
Royalty payable	31,507	24,912
Total current liabilities	1,152,918	1,023,865
Long term liabilities:		
Related party convertible notes, net of discount of \$-0- and \$726 at June 30, 2022 and December 31, 2021, respectively	-	2,774
Convertible notes, net of discount of \$107,442 and \$149,820 at June 30, 2022 and December 31, 2021, respectively	59,058	50,680
Total long term liabilities	59,058	53,454
Total liabilities	1,211,976	1,077,319
Commitments and contingencies		
Stockholders' Equity (Deficiency):		
Series A preferred stock, \$0.001 par value; 30,000,000 shares authorized, 25,928,358 and 27,328,358 shares issued and outstanding as of June 30, 2022 and December 31, 2021, respectively	25,928	27,328
Common stock, \$0.001 par value, 600,000,000 shares authorized, 192,116,272 and 187,357,890 issued and outstanding as of June 30, 2022 and December 31, 2021, respectively	192,115	187,357
Additional paid-in capital	16,405,995	16,338,461
Common stock to be issued	448,848	423,695
Accumulated deficit	(17,343,598)	(17,129,997)
Total stockholders' equity (deficiency)	(270,712)	(153,156)
Total Liabilities and Stockholders' Deficiency	\$ 941,264	\$ 924,163

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

BARISTAS COFFEE COMPANY INC.

Consolidated Statements of Operations (Unaudited)

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Revenue	\$ 63,881	\$ 56,278	\$ 132,178	\$ 112,606
Cost of revenue	<u>54,455</u>	<u>47,449</u>	<u>105,809</u>	<u>94,145</u>
Gross margin	9,426	8,829	26,369	18,461
Operating expenses:				
Stock-based compensation	4,654	10,644	10,245	25,853
Consulting fees	1,934	13,147	5,084	27,571
Professional fees	56,117	56,423	112,729	76,227
General and administrative	<u>17,767</u>	<u>23,468</u>	<u>35,799</u>	<u>48,123</u>
Total operating expenses	80,472	103,682	163,857	177,774
Net operating loss	(71,046)	(94,853)	(137,488)	(159,313)
Other (income) expense:				
Interest income	(10,668)	(10,668)	(21,215)	(21,215)
Interest expense	<u>49,863</u>	<u>32,398</u>	<u>97,328</u>	<u>59,600</u>
Total other (income) expense	<u>39,195</u>	<u>21,730</u>	<u>76,113</u>	<u>38,385</u>
Net loss	\$ <u>(110,241)</u>	\$ <u>(116,583)</u>	\$ <u>(213,601)</u>	\$ <u>(197,698)</u>
Basic income loss per share	\$ <u>(0.001)</u>	\$ <u>(0.001)</u>	\$ <u>(0.001)</u>	\$ <u>(0.001)</u>
Weighted average number of common shares outstanding - basic and diluted	187,357,890	178,748,458	187,357,890	178,682,806

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

BARISTAS COFFEE COMPANY INC.
Statement of Changes in Stockholders' Deficiency (Unaudited)
As of June 30, 2022 and 2021

	Common Stock		Preferred Stock		Additional	Common Stock	Accumulated	Total
	Shares	Amount	Shares	Amount	Paid-In Capital	To Be Issued	Deficit	Stockholders' Deficiency
For the three months ended June 30, 2021								
Balance at March 31, 2021	178,747,458	\$ 178,746	27,328,358	\$ 27,328	\$ 16,139,515	\$ 428,889	\$ (16,836,926)	\$ (62,448)
Conversion of notes payable into shares of common stock	3,210,536	3,211	-	-	14,448	-	-	17,659
Discount on shares issued for notes payable	-	-	-	-	38,000	-	-	38,000
Stock based compensation	-	-	-	-	-	4,694	-	4,694
Net income	-	-	-	-	-	-	(116,583)	(116,583)
Balance at June 30, 2021	<u>181,957,994</u>	<u>\$ 181,957</u>	<u>27,328,358</u>	<u>\$ 27,328</u>	<u>\$ 16,191,963</u>	<u>\$ 433,583</u>	<u>\$ (16,953,509)</u>	<u>\$ (118,678)</u>
For the three months ended June 30, 2021								
Balance at December 31, 2020	176,766,966	\$ 176,766	27,328,358	\$ 27,328	\$ 16,089,593	\$ 366,292	\$ (16,755,811)	\$ (95,832)
Conversion of notes payable into shares of common stock	5,191,028	5,191	-	-	22,370	(9,902)	-	17,659
Discount on shares issued for notes payable	-	-	-	-	80,000	-	-	80,000
Stock based compensation	-	-	-	-	-	77,193	-	77,193
Net income	-	-	-	-	-	-	(197,698)	(197,698)
Balance at June 30, 2021	<u>181,957,994</u>	<u>\$ 181,957</u>	<u>27,328,358</u>	<u>\$ 27,328</u>	<u>\$ 16,191,963</u>	<u>\$ 433,583</u>	<u>\$ (16,953,509)</u>	<u>\$ (118,678)</u>
For the three months ended June 30, 2022								
Balance at March 31, 2022	190,037,955	\$ 190,037	25,928,358	\$ 25,928	\$ 16,381,603	\$ 448,319	\$ (17,233,357)	\$ (187,470)
Conversion of notes payable into shares of common stock	2,078,317	2,078	-	-	10,392	-	-	12,470
Discount on shares issued for notes payable	-	-	-	-	14,000	-	-	14,000
Stock based compensation	-	-	-	-	-	529	-	529
Net income	-	-	-	-	-	-	(110,241)	(110,241)
Balance at June 30, 2022	<u>192,116,272</u>	<u>\$ 192,115</u>	<u>25,928,358</u>	<u>\$ 25,928</u>	<u>\$ 16,405,995</u>	<u>\$ 448,848</u>	<u>\$ (17,343,598)</u>	<u>\$ (270,712)</u>
For the six months ended June 30, 2022								
Balance at December 31, 2021	187,357,890	\$ 187,357	27,328,358	\$ 27,328	\$ 16,338,461	\$ 423,695	\$ (17,129,997)	\$ (153,156)
Conversion of notes payable into shares of common stock	4,758,382	4,758	-	-	25,134	-	-	29,892
Preferred stock converted to common stock in a prior year	-	-	(1,400,000)	(1,400)	1,400	-	-	-
Stock based compensation	-	-	-	-	-	25,153	-	25,153
Discount on shares issued for notes payable	-	-	-	-	41,000	-	-	41,000
Net income	-	-	-	-	-	-	(213,601)	(213,601)
Balance at June 30, 2022	<u>192,116,272</u>	<u>\$ 192,115</u>	<u>25,928,358</u>	<u>\$ 25,928</u>	<u>\$ 16,405,995</u>	<u>\$ 448,848</u>	<u>\$ (17,343,598)</u>	<u>\$ (270,712)</u>

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

BARISTAS COFFEE COMPANY INC.

Consolidated Statements of Cash Flow (Unaudited)

	For the Six Months Ended	
	June 30, 2022	June 30, 2021
Cash flows from operating activities:		
Net loss	\$ (213,601)	\$ (197,698)
Adjustments to reconcile net loss to net cash used in operating activities:		
Non-cash interest	97,328	59,249
Non-cash interest income	(21,215)	(21,215)
Stock-based compensation	10,245	25,853
Changes in operating assets and liabilities:		
Inventory	2,807	5,913
Prepaid expenses	-	(582)
Accrued expenses and other current liabilities	71,039	47,482
Royalty payable	5,090	6,571
Net cash used in operating activities	<u>(48,307)</u>	<u>(74,427)</u>
Cash flows from financing activities		
Cash advances	6,000	9,159
Cash repayments	-	(12,300)
Proceeds from issuance of long-term related party convertible notes payable	-	11,000
Proceeds from issuance of long-term convertible notes payable	41,000	69,000
Net cash provided by financing activities	<u>47,000</u>	<u>76,859</u>
Net increase (decrease) in cash	(1,307)	2,432
Cash - beginning of the year	3,348	227
Cash - end of the quarter	<u>\$ 2,041</u>	<u>\$ 2,659</u>
Supplemental disclosures:		
Interest paid	\$ -	\$ 350
Cash paid for income taxes	\$ -	\$ -
Supplemental disclosure for non-cash financing activities:		
Convertible notes payable settled by common shares	\$ 29,892	\$ 17,659
Discounts on convertible notes payable	\$ 41,000	\$ 80,000

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

BARISTAS COFFEE COMPANY, INC.
Notes to Financial Statements (Unaudited)
As of June 30, 2022

NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION BASIS

Description of Business

Baristas Coffee Company, Inc. ("Baristas" "The Company") is a Nevada C Corporation that was originally formed as InfoSpi.com on October 18, 1996. On December 22, 2009, it acquired greater than a 60% interest in Pangea Networks, Inc. ("Pangea")/ DBA Baristas Inc., and numerous coffee stands in the greater Seattle area, for cash, stock and other consideration. In May of 2010, the Company changed its name to Baristas Coffee Company, Inc. The Company's fiscal year end is December 31.

Baristas is a national Coffee Company that is recognized throughout the US. Baristas gained mainstream exposure when it was the subject of "Grounded in Seattle" the reality show special feature which aired on WE TV. Formerly, Baristas provided customers the ability to drive up and order their choice of a custom-blended espresso drinks, freshly brewed coffee or other beverages through its drive-thru locations. The Company sold its last retail location on June 2, 2017 for \$68,000 and existed the retail business.

During 2016, Baristas refocused its business to concentrate on its wholesale and direct to consumer coffee-based products under the Baristas brand such as single serve coffee pods compatible with the Keurig 2.0 brewing system. The Baristas special "Espresso Blend" called "White Coffee" are single serve cups with the lightly roasted coffee and 3X the caffeine.

On Oct. 23, 2018 the Company announced creating a new line of infused coffee called Baristas "EnrichaRoast" that promotes healthy living. The new blends are infused with substances that promote weight loss, vitality, sensuality, and recovery from hangovers as well as potentially other health benefits.

On December 31, 2018, Scott Steciw, the Company's president, treasurer and director, resigned from the Company.

On February 27, 2020, the Company formed Munchie Magic, Inc., a Washington corporation, in furtherance of its virtual restaurant concept. During 2021, the Company added MiniBar Magic for alcoholic beverages and Thai Dah, a virtual restaurant platform for Thai restaurants. Munchie Magic is operating multiple locations in 10 states delivering Ben & Jerry's ice cream, snacks, beer, wine, hard alcohol, and hot foods to customers via delivery partners DoorDash, GrubHub, and Uber Eats. The Company is the majority shareholder in this corporation based on the transfer and assignment of its rights in a series of assets and intellectual property rights. The Company owns 780 shares of the 1,500 authorized Munchie Magic shares. In addition, the Company's CEO owns an aggregate of 240 shares of Munchie Magic common stock.

Basis of Presentation

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP").

These consolidated financial statements comprise the accounts of the Company and its subsidiary Munchie Magic Inc.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation for comparative purposes.

Estimates and Assumptions

Preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Examples include, but are not limited to, estimates for asset and goodwill impairments, stock-based compensation forfeiture rates, future asset retirement obligations, and inventory reserves; assumptions underlying self-insurance reserves and income from unredeemed stored value cards; and the potential outcome of future tax consequences of events that have been recognized in the financial statements. Actual results and outcomes may differ from these estimates and assumptions.

Cash and Cash Equivalents

The Company considers all highly liquid investments with original maturities of years or less to be cash equivalents. At June 30, 2022 and December 31, 2021, the Company had \$2,041 and \$3,348 cash, respectively.

Fair Value of Financial Instruments

The carrying amount of the Company's cash, accounts payables and accrued liabilities approximates their estimated fair values due to the short-term maturities of those financial instruments.

The Company has adopted a single definition of fair value, a framework for measuring fair value, and providing expanded disclosures concerning fair value whereby estimated fair value is the price to be paid for an asset or the amount to settle a liability in an orderly transaction between market participants at the measurement date. Accordingly, fair value is a market-based measurement and not an entity-specific measurement.

The Company utilizes the following hierarchy in fair value measurements:

Level 1 – Inputs use quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2 – Inputs use other inputs that are observable, either directly or indirectly. These inputs include quoted prices for similar assets and liabilities in active markets as well as other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 – Inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability.

All assets and liabilities of the Company approximate fair value.

Inventories

Inventories are stated at the lower of cost or market. Cost is computed using weighted average cost, which approximates actual cost, on a first-in, first-out basis. Inventories on hand are evaluated on an on-going basis to determine if any items are obsolete or in excess of future needs. Items determined to be obsolete are reserved for. The Company provides for the possible inability to sell its inventories by providing an excess inventory reserve. As of June 30, 2022, the Company determined that no reserve was required.

Property, Plant and Equipment

Property, plant and equipment are carried at cost less accumulated depreciation. Cost includes all direct costs necessary to acquire and prepare assets for use, including internal labor and overhead in some cases. Depreciation of property, plant and equipment, which includes assets under capital leases, is provided on the straight-line method over estimated useful lives, generally ranging from 3 to 5 years for equipment and 5 years for buildings. Leasehold improvements are amortized over the shorter of their estimated useful lives or the related lease life, generally 5 years. For leases with renewal periods at our option, we generally use the original lease term, excluding renewal option periods, to determine estimated useful lives. If failure to exercise a renewal option imposes an economic penalty to us, we may determine at the inception of the lease that renewal is reasonably assured and include the renewal option period in the determination of the appropriate estimated useful lives. The costs of repairs and maintenance are expensed when incurred, while expenditures for refurbishments and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. When assets are retired or sold, the asset cost and related accumulated depreciation are eliminated with any remaining gain or loss recognized in net earnings.

Goodwill

We test goodwill for impairment on an annual basis, or more frequently if circumstances, such as material deterioration in performance or a significant number of store closures, indicate reporting unit carrying values may exceed their fair values. When evaluating goodwill for impairment, we may first perform a qualitative assessment to determine if the fair value of the reporting unit is more likely than not greater than its carrying amount. If we do not perform a qualitative assessment or if the fair value of the reporting unit is not more likely than not greater than its carrying amount, we calculate the implied estimated fair value of the reporting unit. If the carrying amount of goodwill exceeds the implied estimated fair value, an impairment charge to current operations is recorded to reduce the carrying value to the implied estimated fair value. The Company goodwill balance was \$250,000 as for June 30, 2022 and December 31, 2021.

Long-lived Assets

Long-lived assets such as property, equipment and identifiable intangibles are reviewed for impairment whenever facts and circumstances indicate that the carrying value may not be recoverable. When required impairment losses on assets to be held and used are recognized based on the fair value of the asset. The fair value is determined based on estimates of future cash flows, market value of similar assets, if available, or independent appraisals, if required. If the carrying amount of the long-lived asset is not recoverable from its undiscounted cash flows, an impairment loss is recognized for the difference between the carrying amount and fair value of the asset. When fair values are not available, the Company estimates fair value using the expected future cash flows discounted at a rate commensurate with the risk associated with the recovery of the assets.

Revenue Recognition

The Company's revenues consist of sales by e-commerce and food delivery.

Revenue is recognized when a customer obtains control of promised goods or services and is recognized in an amount that reflects the consideration that an entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The amount of revenue that is recorded reflects the consideration that the Company expects to receive in exchange for those goods. The Company applies the following five-step model in order to determine this amount: (i) identification of the promised goods in the contract; (ii) determination of whether the promised goods are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

Once a contract is determined to be within the scope of ASC 606 at contract inception, the Company reviews the contract to determine which performance obligations the Company must deliver and which of these performance obligations are distinct. The Company recognizes as revenues the amount of the transaction price that is allocated to the respective performance obligation when the performance obligation is satisfied or as it is satisfied. Generally, the Company's performance obligations are transferred to customers at a point in time, typically upon delivery.

Barter transactions represent the exchange of Company services for other services. These transactions are recorded at the estimated fair market value of the services provided or the fair value of the services received, whichever is most readily determinable. Revenue is recognized on barter and trade transactions when the services are provided. Expenses are recorded ratably over a period that estimates when the service received is utilized, or when the event occurs. Barter and trade revenues and expenses from continuing operations are included in revenue and cost of revenues, respectively.

Marketing & Advertising

Advertising costs are expensed as incurred. Advertising costs totaled \$1,650 and \$1,883 for the three months ended June 30, 2022, and 2021, respectively, and \$3,643 and \$6,031 for the six months ended June 30, 2022, and 2021, respectively.

Stock-based Compensation

The Company accounts for share-based compensation in accordance with the fair value recognition provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 718 and No. 505. The Company issues restricted stock to employees and consultants for their services. Cost for these transactions are measured at the fair value of the equity instruments issued at the date of grant. These shares are considered fully vested and the fair market value is recognized as expense in the period granted. The Company recognized consulting expenses and a corresponding increase to additional paid-in-capital related to stock issued for services. For agreements requiring future services, the consulting expense is to be recognized ratably over the requisite service period.

Stock-based expenses to executives and consultants for general and administration services was \$4,654 and \$10,644 for the three months ended June 30, 2022 and 2021, respectively, and \$10,245 and \$25,853 for the six months ended June 30, 2022 and 2021, respectively.

Income Taxes

The Company accounts for income taxes utilizing the liability method of accounting. Under the liability method, deferred taxes are determined based on differences between financial statement and tax bases of assets and liabilities at enacted tax rates in effect in years in which differences are expected to reverse. Valuation allowances are established, when necessary, to reduce deferred tax assets to amounts that are expected to be realized.

The Company follows ASC 740-10, "Accounting for Uncertainty in Income Taxes" ("ASC 740-10"). This interpretation requires recognition and measurement of uncertain income tax positions using a "more-likely-than-not" approach. ASC 740-10 is effective for fiscal years beginning after December 15, 2006. Management has adopted ASC 740-10 for 2007, and they evaluate their tax positions on an annual basis, and have determined that as of December 31, 2019, no additional accrual for income taxes is necessary. The Company's policy is to recognize both interest and penalties related to unrecognized tax benefits expected to result in payment of cash within one year are classified as accrued liabilities, while those expected beyond one year are classified as other liabilities. The Company has not recorded any interest or penalties since its inception.

The Company intends to file income tax returns in the U.S. federal tax jurisdiction and various state tax jurisdictions. The tax years for 2012 to 2020 remain open for examination by federal and/or state tax jurisdictions. The Company is currently not under examination by any other tax jurisdictions for any tax year.

Earnings per Share

Basic net loss per common share is computed using the weighted average number of common shares outstanding. Diluted earnings per share (EPS) include additional dilution from common stock equivalents, such as stock issuable pursuant to the exercise of stock options warrants and convertible notes. Common stock equivalents are not included in the computation of diluted earnings per share when the Company reports a loss because to do so would be anti-dilutive for periods presented. As of June 30, 2022, the Company has no options or warrants outstanding. At June 30, 2022, the total shares issuable upon conversion of convertible notes payable to officers, directors and third parties would be approximately 99,938,000 shares of the Company's common stock.

Recent Accounting Pronouncements

In August 2020, the FASB issued ASU 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40)—Accounting for Convertible Instruments and Contracts in an Entity's Own Equity. ASU 2020-06 reduces the number of accounting models for convertible debt instruments and convertible preferred stock. For convertible instruments with conversion features that are not required to be accounted for as derivatives under Topic 815, *Derivatives and Hedging*, or that do not result in substantial premiums accounted for as paid-in capital, the embedded conversion features no longer are separated from the host contract. ASU 2020-06 also removes certain conditions that should be considered in the derivatives scope exception evaluation under Subtopic 815-40, *Derivatives and Hedging—Contracts in Entity's Own Equity*, and clarify the scope and certain requirements under Subtopic 815-40. In addition, ASU 2020-06 improves the guidance related to the disclosures and earnings-per-share (EPS) for convertible instruments and contract in entity's own equity. ASU 2020-06 is effective for public business entities that meet the definition of a Securities and Exchange Commission (SEC) filer, excluding entities eligible to be smaller reporting companies as defined by the SEC, for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. The Board specified that an entity should adopt the guidance as of the beginning of its annual fiscal year. The Company is currently evaluation the impact this ASU will have on its consolidated financial statements.

Accounting standards that have been issued by the FASB or other standards setting bodies that do not require adoption until a future date are being evaluated by the Company to determine whether adoption will have a material impact on the Company's financial statements.

NOTE 2 – GOING CONCERN

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. For the six months ended June 30, 2022, the Company has a loss from operations of \$213,601 and an accumulated deficit of \$17,343,598 at June 30, 2022. The Company intends to fund operations through the new Munchie Magic subsidiary and equity financing arrangements, which may be insufficient to fund its capital expenditures, working capital and other cash requirements for the year ending December 31, 2022.

The ability of the Company to continue and maintain its operations is dependent upon, among other things, obtaining additional financing to continue operations, and execution of its business plan. In response to these concerns, management intends to raise additional funds through public or private placement offerings and through loans from officers and directors.

These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty. There can be no assurance that management's plan will be successful.

NOTE 3 – INVENTORY

Inventories were comprised of:

	June 30, 2022	December 31, 2021
Coffee and merchandise held for sale	\$ 42	\$ 2,849

NOTE 4 – RELATED PARTY TRANSACTIONS

Executive compensation

On March 1, 2015, the Company signed five-year Executive Employment Contracts with the Company's CEO and President and the Company's former President. Each Executive was compensated with 3,000,000 shares for an aggregate of 6,000,000 restricted shares of the Company's common stock for services performed from March 1, 2009 to February 28, 2015. These shares were issued in 2015 and valued at \$2,304,000 or \$0.384 per share. In addition, each executive will be compensated with 500,000 restricted shares of the Company's common stock payable on each anniversary beginning March 1, 2015. On September 16, 2015 each Executive was issued 500,000 shares for an aggregate of 1,000,000 restricted shares of the Company's common stock for services performed from March 1, 2015 to February 28, 2016. These shares were valued \$222,160 or \$0.221 per share.

On October 10, 2017, the Company amended the employment agreements to increase the number of shares from 500,000 per Executive to 5,000,000 shares per Executive for an aggregate of 10,000,000 restricted shares of the Company's common stock for services performed each year starting March 1, 2016 to February 28, 2020, an aggregate of 40,000,000 restricted shares of the Company's common stock. The Executives earned 10,000,000 restricted shares valued at \$953,568 or \$.0954 per share for the year March 1, 2016 through February 28, 2017 and earned 10,000,000 restricted shares valued at \$74,500 or \$.00745 per share for the year March 1, 2017 through February 28, 2018. The February 28, 2017 & 2018 shares were issued in January & February 2019 and the amounts due to the Executives were recorded as accrued expenses in the accompanying balance sheet. Mr. Steciw resigned from the Company on December 31, 2018 and his employment agreement terminated. The Company has recorded \$64,500 or \$0.0129 for the plan year from March 1, 2018 through February 28, 2019 year for the Company's CEO. The Company has recorded \$200,000 or \$0.04 for the plan year from March 1, 2019 through February 29, 2020 year for the Company's CEO. As of June 30, 2022, the 10,000,000 shares earned for the 12-month periods ended February 28, 2019 and February 29, 2020 have not been issued to the Company's CEO. The contract ended on February 29, 2020.

On March 1, 2020, the Company signed a one-year Executive Consultant Compensation Agreement with the Company's CEO for services to the Company. The Company's CEO will be compensated with 5,000,000 restricted shares of the Company's common stock for services performed from March 1, 2020 to February 28, 2021. These shares were earned on March 1, 2021. The 5,000,000 shares were valued at \$63,500 or \$0.0127 per share and recorded as stock compensation in the accompanying consolidated statement of operations over the term of the contract. As of June 30, 2022, the 5,000,000 shares have not been issued to the Company's CEO. With termination of the foregoing agreement, on March 22, 2021, the Company signed a one-year Work for Hire Agreement with Prime Vector, LLC for general consulting services rendered to the Company. Prime Vector, LLC is a Company owned by Barry Henthorn, the Company's CEO. The consultant will be paid \$10,000 per month for an aggregate of \$120,000 over the term of the contract. On March 22, 2022, the Company signed a one-year Work for Hire Agreement with Prime Vector, LLC for general consulting services rendered to the Company. Prime Vector, LLC is a Company owned by Barry Henthorn, the Company's CEO. The consultant will be paid \$10,000 per month for an aggregate of \$120,000 over the term of the contract. The Company's CEO has earned \$30,000 under the agreements for the three months ended June 30, 2022 and 2021 and \$40,000 and \$60,000 for the six months ended June 30, 2022 and 2021, respectively. Under the agreements, the amount due the Company's CEO was \$32,709 and \$3,959 at June 30, 2022 and December 31, 2021, respectively.

On March 1, 2020, a Work for Hire Agreement was signed between the Munchie Magic subsidiary and the Company's CEO. The Company's CEO is compensated with \$3,500 cash per month. The agreement requires the Company's CEO to make a monthly minimum payment of \$1,000 towards his \$18,000 note payable to Munchie Magic. In addition, the Company's CEO will receive a cash \$10,000 bonus for securing the first and second round of funding and additional bonuses for meeting certain milestones. The Work for Hire Agreement terminated on April 22, 2021. The Company's CEO has earned \$-0- and \$10,500 under the agreement for the six months ended June 30, 2022 and 2021, respectively. The amount due the Company's CEO was \$15,468 at June 30, 2022 and December 31, 2021.

Notes Receivable

The Company has various notes receivable from ReelTime Rental Inc., a related corporation, for services and cash advances. The loan bears interest at 5% to 10% and have various maturity date through April 2, 2019. After maturity, the interest rate generally increases to 10% or 15%. In addition, at any time, the Company may convert the notes into shares of the related party's common stock at various exercise prices between \$0.00025 to \$0.01 per share. The balance of the loans receivable with accrued interest was \$619,649 and \$598,434 as June 30, 2022 and December 31, 2021, respectively. The Company will evaluate the collectability of the loan annually. The Company recognized interest income \$10,668 and \$21,215 for the three and six months ended June 30, 2022, and 2021.

Notes Payable

The Company has issued various notes payable and short-term and long-term convertible notes payable to related parties. See Note 6 Note Payable for a discussion of these notes.

Other amounts due to related parties

Amounts due the Company's CEO were \$24,905 and \$23,605 at June 30, 2022 and December 31, 2021, respectively, for rent of the Company's facilities and other items.

On October 1, 2019, the Company entered into a twenty-four-month agreement with Reeltime Rentals, Inc, a related corporation, to provide various services including product development, social media management, website development and other services. The Company will pay the related corporation \$1,000 per month. The agreement was extended for an additional 24 months through September 30, 2023. The amounts earned by the related corporation were \$3,000 and \$6,000 for the three and six months ended June 30, 2022 and 2021. All amounts due under the agreement were paid to the related corporation.

On March 1, 2020, the Munchie Magic subsidiary entered into a twenty-four-month agreement with Reeltime Rentals, Inc, a related corporation, to provide various services including product development, social media management, website development and other services. Under the agreement, the Munchie Magic subsidiary paid \$5,000 for month one, \$4,000 for month two and \$3,500 per month thereafter to the related corporation. On March 1, 2022, the Munchie Magic subsidiary entered into a second twenty-four-month agreement with Reeltime Rentals, Inc, a related corporation, to provide various services including product development, social media management, website development and other services. Under the agreement, the Munchie Magic subsidiary pays \$3,500 per month to the related corporation. The related corporation earned \$10,500 and \$21,000 under the agreement for the three and six months ended June 30, 2022 and 2021. Under the agreement, Munchie Magic owed the related corporation \$53,115 and \$32,115 at June 30, 2022 and December 31, 2021, respectively.

On January 12, 2021, Munchie Magic signed a Worldwide Exclusive Limited Perpetual Technology, Business Model and Processes Licensing Agreement with a related corporation (Reeltime Rentals Inc.) for developing, implementing, and marketing various technologies, business models and processes. Under the agreement, Munchie Magic will pay a license fee to the related corporation equal to \$.35 per transaction (customer order).

On August 16, 2021, Munchie Magic DBA Thai Dah, signed a Worldwide Exclusive Limited Perpetual Technology, Business Model and Processes Licensing Agreement with a related corporation (Reeltime Rentals Inc.) for developing, implementing, and marketing various technologies, business models and processes. Under the agreement, Thai Dah will pay a license fee to the related corporation equal to \$.35 per transaction (customer order).

On August 16, 2021, Munchie Magic DBA MiniBar Magic, signed a Worldwide Exclusive Limited Perpetual Technology, Business Model and Processes Licensing Agreement with a related corporation (Reeltime Rentals Inc.) for developing, implementing, and marketing various technologies, business models and processes. Under the agreement, Thai Dah will pay a license fee to the related corporation equal to \$.35 per transaction (customer order).

Total license fees for the Worldwide Exclusive Limited Perpetual Technology, Business Model and Processes Licensing Agreements for Munchie Magic, Munchie Magic - Thai Dah, and Munchie Magic DBA MiniBar Magic were \$1,345 and \$1,091 for the three months ended June 30, 2022 and 2021, respectively, and \$3,114 and \$1,926 for the six months ended June 30, 2022 and 2021, respectively. All amounts due under the agreements were paid to the related corporation.

The aggregate of the amounts due related parties recorded in the accompanying consolidated balance sheets was \$126,197 and \$75,147 at June 30, 2022 and December 31, 2021, respectively.

NOTE 5– ACCRUED EXPENSES

Accrued expenses consist of the following:

		<u>June 30, 2022</u>		<u>December 31, 2021</u>
Accrued Compensation	\$	30,066	\$	31,225
Accrued Payroll Taxes		239,531		239,531
Accrued Interest		<u>206,606</u>		<u>179,662</u>
	\$	476,203	\$	450,418

The accrued payroll taxes represented unpaid federal income taxes including penalty and interest through June 30, 2022 from a liability incurred in prior years for former employees.

NOTE 6 NOTES PAYABLE

Notes payable: non-convertible related party

The Company has issued a note with a maturity of June 19, 2018 to a related party. These notes bear interest at 8%. The unpaid balance including accrued interest was \$3,302 and \$3,153 at June 30, 2022 and December 31, 2021, respectively. The promissory notes are reported in related party notes payable in the accompanying consolidated balance sheet. The Company is not compliant with the repayment terms for this note payable.

Notes payable: non-convertible

The Company has issued a number of notes with various maturities dates to unrelated parties. These notes bear interest at 0% to 6% which increase to 10% after the initial term. The unpaid balance including accrued interest was \$74,354 and \$72,966 at June 30, 2022 and December 31, 2021, respectively. The promissory notes are reported in notes payable in the accompanying consolidated balance sheet. The Company is not compliant with the repayment terms for the majority of these notes payable.

Notes payable: convertible related parties

The Company has issued a number of convertible notes with various maturities dates to related parties. The loans bear interest at 5% to 8% and have various maturity dates through August 2, 2022. After maturity, the interest rate generally increases to 10% or 15%. In addition, at any time, the related party may convert the note into shares of the Company's common stock at various exercise prices between \$0.005 to \$0.03 per share. Due to the short-term nature of these loans, they are recorded as current liabilities. The Company calculates the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. There were no new convertible notes issued during the three months ended June 30, 2022. The debt discounts are amortized through the term of the notes. The outstanding balances including accrued interest at June 30, 2022 and December 31, 2021 was \$114,260 and \$105,831, respectively. The outstanding principal balances net of discounts at June 30, 2022 and December 31, 2021 was \$60,267 and \$56,267, respectively. The Company is not compliant with the repayment terms for the majority of these notes payable.

As of June 30, 2022, the conversion price of the non-related party convertible notes were fixed and determinable on the date of issuance and as such in accordance with ASC Topic 815 "*Derivatives and Hedging*" ("ASC 815"), the embedded conversion options of the note were not considered derivative liabilities. The beneficial conversion features of certain convertible notes are at a price below fair market value. The Company recorded interest expense on the debt discount of \$538 and \$1,226 for three and six months ended June 30, 2022 respectively, in the accompanying consolidated statements of operations.

Notes payable: convertible

The Company has issued a number of convertible notes with various maturities dates to non-related parties. The loans bear interest at 5% to 10% and have various maturity dates through June 11, 2021. After maturity, the interest rate increases to 10% or 15%. In addition, at any time, the individuals or corporations may convert the note into shares of the Company's common stock at various exercise prices between \$0.0025 to \$0.025 per share. The Company calculates the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. There were no new convertible notes issued during the three months ended June 30, 2022. The debt discounts are amortized through the term of the notes. The outstanding balances including accrued interest at June 30, 2022 and December 31, 2021 were \$499,917 and \$430,727, respectively. The outstanding principal balances, net of debt discount at June 30, 2022 and December 31, 2021 were \$333,989 and \$304,610, respectively. The Company is not compliant with the repayment terms for all of these convertible notes payable.

As of June 30, 2022, the conversion price of the non-related party convertible notes were fixed and determinable on the date of issuance and as such in accordance with ASC Topic 815 "*Derivatives and Hedging*" ("ASC 815"), the embedded conversion options of the note were not considered derivative liabilities. The beneficial conversion features of certain convertible notes are at a price below fair market value. The Company recorded interest expense on the debt discount of \$12,393 and \$208 for the three months ended June 30, 2022 and 2021, respectively, and \$25,253 and \$458 for the six months ended June 30, 2022 and 2021, respectively, in the accompanying consolidated statements of operations.

Long term notes payable: convertible related party

The Company had no long-term related party convertible note payable outstanding at June 30, 2022. The outstanding balances including accrued interest at June 30, 2022 and December 31, 2021 was \$-0- and \$3,943, respectively. The outstanding principal balances, net of debt discount at June 30, 2022 and December 31, 2021 were \$-0- and \$2,774, respectively. The Company is not compliant with the repayment terms for certain of these convertible notes payable.

The Company recorded interest expense on the debt discount of \$2,563 and \$4,668 for the three and six months ended June 30, 2021 in the accompanying consolidated statements of operations.

Long term notes payable: convertible

The Company has issued a number of convertible notes with various maturities to an individual and a corporation. The loans bear interest at 8% and have various maturity dates through April 24, 2024. After maturity, the interest rate increases to 10% or 15%. In addition, at any time, the related party may convert the note into shares of the Company's common stock at various exercise prices between \$0.005 to \$0.01 per share. The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock on the date of issuance. The fair value of the conversion option in connection with the notes added during three months ended June 30, 2022 was \$14,000. The debt discounts are amortized through the term of the notes. The outstanding balances including accrued interest at June 30, 2022 and December 31, 2021 was \$175,852 and \$208,512, respectively. The outstanding principal balances, net of debt discount at June 30, 2022 and December 31, 2021 were \$59,058 and \$50,680, respectively.

As of June 30, 2022, the conversion price of the long term non-related party convertible notes were fixed and determinable on the date of issuance and as such in accordance with ASC Topic 815 "*Derivatives and Hedging*" ("ASC 815"), the embedded conversion options of the note were not considered derivative liabilities. The beneficial conversion features of certain convertible notes are at a price below fair market value. The Company recorded interest expense on the debt discount of \$20,231 and \$15,916 for the three months ended June 30, 2022 and 2021, respectively, and \$37,897 and \$27,637 for the six months ended June 30, 2022 and 2021, respectively, in the accompanying consolidated statements of operations.

NOTE 7 – STOCKHOLDER'S EQUITY

Preferred Stock

The Company has authorized 30,000,000 preferred shares with a par value of \$0.001 per share. Board of Directors are authorized to divide the authorized shares of Preferred Stock into one or more series, each of which shall be so designated as to distinguish the shares thereof from the shares of all other series and classes. The entire 30,000,000 shares of preferred stock were designated to be Series A Convertible Preferred Stock in 2015.

During April 2022, the Company determined 1,400,000 shares of Series A Preferred Stock was converted to shares of the Company's common stock in a prior year. The Company wrote off of the 1,400,000 Series A Preferred Stock at March 31, 2022.

No preferred shares were issued during six months ended June 30, 2022 and 2021.

As at June 30, 2022 and December 31, 2021, respectively, there were 25,928,358 and 27,328,358 shares of Series A Convertible Preferred Stock issued and outstanding.

Common Stock

The Company has authorized 600,000,000 common shares with a par value of \$0.001 per share. Each common share entitles the holder to one vote, in person or proxy, on any matter on which action of the stockholders of the corporation is sought. Holders have equal ratable rights to dividends from funds legally available and are entitled to share in assets available for distribution upon liquidation. Holders do not have preemptive, subscribed, conversion or cumulative voting rights, and there are no redemption or sinking fund provisions or rights. Holders of common stock have the right to approve any amendment of the Articles of Incorporation, elect directors, approve any plan of merger and approve a plan for the sale, lease or exchange of all of the Company's assets as proposed by the Board of Directors. There are no restrictions that limit the Company's ability to pay dividends on its common stock. The Company has not declared any dividends since incorporation.

During the year ended December 31, 2021, the Company issued the following shares of common stock:

- 9,572,924 shares in exchange for debt principal and interest of \$52,557.
- 1,018,000 shares issued for services to the Company valued at \$11,402

During the six months ended June 30, 2022, the Company issued the following shares of common stock:

- 4,758,382 shares in exchange for debt principal and interest of \$29,892.

During December 2018, it was determined a consultant was granted 2,000,000 shares of the Company's restricted common stock for services to the Company. The shares were valued at \$70,000 or \$0.035 per share. The shares were inadvertently omitted from the Company's financial statements and recorded during December 2018. The shares were not issued to the consultant as of June 30, 2022.

On January 14, 2019, the Company signed an agreement with a consultant for accounting services to the Company. The consultant is compensated with cash and paid \$35 per hour in restricted shares of the Company's common stock based on 85% of the average closing price of the Company's common stock 5 (five) days prior to date of each invoice. The agreement was revised on July 9, 2021 to cash compensation and \$25 per hour in restricted shares of the Company's common stock based on 85% of the average closing price of the Company's common stock 5 (five) days prior to date of each invoice. On November 15, 2021, the consultant was issued 1,018,000 restricted shares of the Company's common stock valued at \$11,402 or \$0.0112. As of June 30, 2022, the consultant has earned an additional 474,433 restricted shares of the Company common stock valued at \$9,244 or \$0.0195 per share. The shares were not issued to the consultant as of June 30, 2022.

On March 1, 2019, the Company's CEO earned 5,000,000 restricted shares of the Company common stock pursuant to the amended employment agreement dated October 10, 2017. The shares were valued at \$64,500 or \$0.01249 per share. The shares were not issued to the Company's CEO as of June 30, 2022.

During January and 2020, two consultants earned an aggregate of 1,000,000 restricted shares of the Company common stock pursuant to consulting agreements for service to the Company. The shares were valued at \$8,804 or \$.0088 per share. The shares were not issued to the consultants as of June 30, 2022.

On March 1, 2020, the Company's CEO, earned 5,000,000 restricted shares of the Company common stock pursuant to the amended employment agreement dated October 10, 2017. The shares were valued at \$200,000 or \$.04 per share. The shares were not issued to the Company's CEO at June 30, 2022.

On January 1, 2020 the Company signed a consulting agreement with an individual to provide technology related services to the Company. The consultant earned 500,000 restricted shares of the Company's common stock on January 1, 2021. The shares were valued at \$9,000 or \$.018 per share. The shares were not issued to the consultant as of June 30, 2022.

On March 1, 2021, the Company's CEO, earned 5,000,000 restricted shares of the Company common stock pursuant to one-year employment agreement dated March 1, 2020. The shares were valued at \$63,500 or \$.0127 per share. The shares were not issued to the Company's CEO at June 30, 2022.

During January 2022, two consultants earned an aggregate of 1,000,000 restricted shares of the Company common stock pursuant to consulting agreements for service to the Company. The shares were valued at \$23,800 or \$.00238 per share. The shares were not issued to the consultants as of June 30, 2022.

There were 192,116,272 and 187,357,890 common shares issued and outstanding at June 30, 2022 and December 31, 2021, respectively.

Munchie Magic Stock Subscription and Royalty Agreements

On March 4, 2020, Munchie Magic signed a Royalty Payment Agreement with the Company's CEO. Under the agreement, the Company's CEO will earn a royalty equal to 11.11% of the net profits of the Munchie Magic business and receive 240 shares of Munchie Magic common stock.

On March 5, 2020, Munchie Magic offered for sale four investment units valued at \$9,000 each. Each unit includes 120 shares of Munchie Magic stock and a royalty equal to 5.555% of the net profits of the Munchie Magic business. A corporation purchased two units for \$18,000 in March and April 2020. A second corporation purchased two units for \$18,000 in March and April 2020.

On August 16, 2021, Munchie Magic signed four Munchie Magic - Thai Dah Royalty Payment Agreements with the Company's CEO, two corporations and an individual. Under the agreement, the , the Company's CEO, two corporations and individual will each earn a royalty equal to 8.3325% of the net profits of the Thai Dah business. The Company desires to establish an opportunity for these potential investors to receive payment based on a specified percentage of the net profits generated by Thai Dah.

For the three months ended June 30, 2022 and 2021, royalties earned under the agreements were \$1,934 and \$2,647, respectively, and \$5,084 and \$6,571 for the six months ended June 30, 2022 and 2021, respectively. Munchie Magic owed royalty payable of \$31,507 and \$24,912 at June 30, 2022 and December 31, 2021, respectively, in the accompanying consolidated balance sheets.

NOTE 8– COMMITMENTS AND CONTINGENCIES

Legal Matters

From time to time the Company may become a party to litigation matters involving claims against the Company. Management believes that there are no current matters that would have a material effect on the Company's financial position or results of operations.

NOTE 9 – BARTERING TRANSACTIONS

In July 2017, the Company began providing media services using an on-line bartering website and a third-party provider. The unused service received of \$67,200 was recorded as barter exchange on the accompanying consolidated balance sheet as of June 30, 2022 and December 31, 2021. There has been no bartering activity since the July 2017. The Company evaluated the fair value of the barter exchange assets at June 30, 2022 and determined the asset was not impaired.

NOTE 10 – MATERIAL CONTRACTS

On August 16, 2021, the Company signed a one-year Sales Consultant Agreement with Florence “Front” Montgomery to manage the selling process for our new Munchie Magic DBA Thai Dah virtual restaurant platform for Thai restaurants. The consultant will be compensated with \$2,500 per month for an aggregate of \$30,000 over the term of the contract. The consultant earned \$7,500 for the six months ended six months ended June 30, 2022. The consultant is owed \$22,500 and \$8,750 at June 30, 2022 and December 31, 2021, respectively.

On January 1, 2022 the Company signed a consulting agreement with an individual to provide technology related services to the Company. The consultant will earn 500,000 restricted shares of the Company's common stock on January 1, 2023. The shares were valued at \$8,300 or \$0.0166 per share. The shares were not earned or issued to the consultant as of June 30, 2022.

On January 25, 2022 the Company signed a consulting agreement with an individual to provide technology related services to the Company. The consultant will earn 500,000 restricted shares of the Company's common stock on January 25, 2023. The shares were valued at \$8,200 or \$0.0164 per share. The shares were not earned or issued to the consultant as of June 30, 2022.

NOTE 11 – SUBSEQUENT EVENTS

On July 25, 2022, the Company issued a \$11,500 convertible promissory note to a corporation. The convertible note bears interest at 8% and has a maturity date of July 25, 2024 at which time all principal and accrued interest shall be due and payable in full. Prepayment is permitted without penalty. After maturity, the interest rate remains 8%. The convertible note is convertible by the holder, at its election, into shares of the Company's common stock at an exercise price of \$0.005 per share.

On August 4, 2022, the Company issued a \$13,500 convertible promissory note to a corporation. The convertible note bears interest at 8% and has a maturity date of August 4, 2024 at which time all principal and accrued interest shall be due and payable in full. Prepayment is permitted without penalty. After maturity, the interest rate remains 8%. The convertible note is convertible by the holder, at its election, into shares of the Company's common stock at an exercise price of \$0.005 per share.

The Company has evaluated all events occurring subsequently to these financial statements through August 18, 2022 and determined there were no other items to disclose.