

**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 March 31, 2023

(the "Reporting Period")

**Outstanding Shares**

As of May 12, 2023, the number of shares outstanding of our Common Stock was:

192,116,272 shares

As of December 31, 2022, the Most Recent Fiscal Year End Reporting Period, the number of shares outstanding of our Common Stock was:

192,116,272 shares

**Shell Status**

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: ☒

**Change in Control**

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

Yes: ☐

No: ☒

**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 active and 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.

### **Transfer Agent:**

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

### **Publicly Quoted or Traded Securities:**

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 May 12, 2023
Total Shares Outstanding:	192,116,272 as of May 12, 2023
Total number of shareholders of record:	42 as of May 12, 2023.

### **Other classes of authorized or outstanding equity securities:**

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 May 12, 2023
Total Shares Outstanding:	25,928,358 shares as of May 12, 2023 (1)
Total number of shareholders of record:	3 as of May 12, 2023.

- (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.

### **Security Description:**

The information below provides a summary of the material rights and privileges for each class of the equity securities issued by the Company: :

1. For common equity, describe any dividend, voting and preemption rights.

The holders of our common stock are entitled to unlimited voting rights. At the election of directors, every shareholder has the right to vote the number of shares of stock held by such shareholder for each director to be elected. No cumulative voting for directors shall be permitted. There are no preemptive rights to acquire additional shares issued by the Company.

2. For preferred stock, describe the dividend, voting, conversion, and liquidation rights as well as redemption or sinking fund provisions.

The Company is authorized to issue 30,000,000 shares of preferred stock, \$0.001 par value. The holders of our preferred stock are entitled to unlimited voting rights. Our Board of Directors is vested with authority to issue shares of preferred stock into one or more classes or series with such distinctive designation or title as they may affix. The Board of Directors is authorized to fix the designation and powers, preferences and relative, participating, optional or other rights, if any, and qualifications, limitations or other restrictions thereof, including without limitations, the dividend rate (and whether or not dividends are cumulative), conversion rights, if any, voting rights, rights and terms of redemption (including sinking fund provisions, if any), redemption price and liquidation preferences of any wholly unissued series of Preferred Stock and the number of shares constituting any such series and the designation thereof, or any of them; and to increase or decrease the number of shares of any series subsequent to the issue of shares of the series, but not below the number of shares of such series then outstanding. There are no preemptive rights to acquire additional shares issued by the Corporation.

The Board of Directors designated 30,000,000 shares of preferred stock as "Series A Preferred Stock." Each share of Series A Preferred Stock shall be entitled to the number of votes equal to the number of whole shares of common stock which the Series A Preferred Stock are convertible. Each share of Series A Preferred Stock may be converted to shares of the Company stock based on quotient obtained by dividing the original purchase price, by the applicable conversion value. The applicable conversion value shall be the original purchase price as adjusted from time to time for extraordinary circumstances. The Series A Preferred Stock has dividend rights as declared by the Board of Directors. There are no preemptive rights to acquire additional shares issued by the Company. In the event of liquidation and prior to any payment to holders of common stock or holders of other class or series of stock junior to Series A Preferred Stock, the holders of Series A Preferred Stock is entitled to receive an amount per share of outstanding Series A Preferred stock equal to the greater of (a) the original price for which shares of Series A Preferred Stock were initially issued (as adjusted upon certain events) plus all declared and unpaid dividends, or (2) the amount such holders would receive had they converted their Series A Preferred Stock to Common Stock immediately prior to such liquidation.

After recent investigation, it has been determined that the Certificate of Designation filed referenced only 15,000,000 shares (not 30,000,000 shares) of the authorized preferred stock as "Series A Preferred Stock." Since there are currently 25,928,358 shares of Series A Preferred Stock issued and outstanding, the Company intends to undertake efforts to have all its authorized preferred stock designated as being "Series A Preferred Stock." Necessary corrective action can be taken by filing an appropriate Certificate of Correction with the Nevada Secretary of State. Alternatively, the subject defective corporate action can be corrected and cured by following the procedures and requirements set forth in pertinent provisions of NRS 78.0295 and 78.0296.

3. Describe any other material rights of common or preferred stockholders.

None.

4. Describe any material modifications to rights of holders of the company's securities that have occurred over the reporting period covered by this report.

None.

### 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.

Indicate by check mark whether there were any changes to the number of outstanding shares within the past two completed fiscal years:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

<div> <div>Number of Shares Outstanding as of January 1, 2021:</div> <div>Opening Balance: Common: 176,766,966 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 the market price at the time of issuance? Yes or No	Individual/Entity Shares were issued to.  (disclose the control person(s) for any entities listed)	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?
1/6/2021	New Issuance	1,980,492	Common	9,902	Yes	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Debt Conversion (1)	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 is the control person)	Debt Conversion (2)	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 is the control person)	Debt Conversion (3)	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 is the control person)	Debt Conversion (4)	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 is the control person)	Consultant Compensation (5)	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 is the control person)	Debt Conversion (6)	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 is the control person)	Debt Conversion (7)	Unrestricted	Sections 3(a)(9) & 4(a)(1) of 1933 Act
Shares Outstanding on March 31, 2023 (9)	Ending Balance: Common: 192,116,272 Preferred: 25,928,358 (8)								

The below space provides any additional details, including footnotes to the table above:

- (1) 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.
- (2) 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.
- (3) 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.
- (4) 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.
- (5) 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.
- (6) 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.
- (7) 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.
- (8) 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.
- (9) The following shares were not issued as of March 31, 2023:
  - 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. These shares were not issued to Mr. Connick as of May 12, 2023.
  - 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. These shares were not issued to Mr. Henthorn as of May 12, 2023.

- 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 services to the Company. The shares were valued at \$8,804 or \$.0088 per share. These shares were not issued to the consultants as of May 12, 2023.
- 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 \$.04 per share. These shares were not issued to Mr. Henthorn as of May 12, 2023.
- 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 \$.0180 per share. These shares were not issued to the consultant as of May 12, 2023.
- 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. These shares were not issued to Mr. Henthorn as of May 12, 2023.
- During January 2022, two consultants earned an aggregate of 1,000,000 restricted shares of the Company's common stock pursuant to consulting agreements for services to the Company. The shares were valued at \$23,800 or \$.0238 per share. These shares were not issued to the consultants as of May 12, 2023.
- During August 2022, 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 \$5,350 or \$.0107 per share. These shares were not issued to the consultant as of May 12, 2023.
- During January 2023, 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 \$8,300 or \$.0166 per share. These shares were not issued to the consultants as of May 12, 2023.
- As of March 31, 2023, a consultant earned 824,910 restricted shares of the Company common stock valued at \$10,921 or \$0.0132 per share for accounting services to the Company. These shares were not issued to the consultant as of May 12, 2023.

**B. Debt Securities, including Promissory and Convertible Notes.**

Indicate by check mark whether there are any outstanding promissory, convertible notes, convertible debentures, or any other debt instruments that may be converted into a class of the issuer's equity securities:

No: ☐ Yes: ☒ (If yes, you must complete the table below)

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 (disclose the control person(s) for any entities listed)	Reason for Issuance (e.g., Loan, Services, etc.)
May 31, 2013	9,420	5,000	4,420	May 31, 2014	Indebtedness convertible to common shares at \$0.025 per Share	T. Scott Steciw	Loan
May 31, 2013	7,537	4,000	3,537	May 31, 2014	Indebtedness convertible to common shares at \$0.025 per Share	T. Scott Steciw	Loan
November 18, 2013	3,675	2,000	1,675	November 18, 2014	Indebtedness convertible to common shares at \$0.025 per Share	Barry Henthorn	Loan
August 5, 2014	22,564	10,000	12,564	August 5, 2015	Indebtedness convertible to common shares at \$0.03 per Share	Barry Henthorn	Loan
December 6, 2014	22,033	10,000	12,033	December 6, 2015	Indebtedness convertible to common shares at \$0.025 per Share	Barry Henthorn	Loan
February 23, 2015	8,676	4,000	4,676	February 23, 2016	Indebtedness convertible to common shares at \$0.015 per Share	Barry Henthorn	Loan
March 9, 2015	10,816	5,000	5,816	March 8, 2016	Indebtedness convertible to common shares at \$0.02 per Share	Barry Henthorn	Loan
May 23, 2015	4,261	2,000	2,261	May 22, 2016	Indebtedness convertible to common shares at \$0.02 per Share	Barry Henthorn	Loan
July 29, 2015	9,013	4,200	4,813	March 1, 2016	Indebtedness convertible to common shares at \$0.015 per Share	Barry Henthorn	Loan



October 22, 2015	22,269	10,000	12,269	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 is the control person)	Loan
December 1, 2015	24,000	24,000	-	None	N/A	Heather Otto	Loan
February 25, 2016	12,357	10,000	5,657	August 24, 2016	Indebtedness convertible to common shares at \$0.005 per Share	T. Scott Steciw	Loan (1)
March 23, 2016	12,307	10,000	5,607	August 23, 2016	Indebtedness convertible to common shares at \$0.005 per Share	Barry Henthorn	Loan (2)
April 11, 2016	15,700	8,000	7,700	April 11, 2017	Indebtedness convertible to common shares at \$0.005 per Share	NWBB, Inc. (Marc Hatch is the control person)	Loan
March 7, 2018	2,451	1,450	1,001	March 6, 2019	Indebtedness convertible to common shares at \$0.005 per Share	Barry Henthorn	Loan
April 2, 2018	8,400	5,000	3,400	April 1, 2019	Indebtedness convertible to common shares at \$0.005 per Share	T. Scott Steciw	Loan
May 7, 2018	313,666	230,090	100,076	May 7, 2019	Indebtedness convertible to common shares at \$0.025 per Share	Ron Henthorn	Loan Consolidation (3)
May 7, 2018	2,496	1,500	996	May 6, 2019	Indebtedness convertible to common shares at \$0.005 per Share	Ron Henthorn	Loan
June 29, 2018	3,285	2,000	1,285	June 28, 2019	Indebtedness convertible to common shares at \$0.0035 per Share	T. Scott Steciw	Loan
July 23, 2018	2,480	1,500	980	May 7, 2019	Indebtedness convertible to common shares at \$0.0035 per Share	Jean Thrower	Loan
September 5, 2018	2,418	1,500	918	September 4, 2019	Indebtedness convertible to common shares at \$0.0025 per Share	Supplier Development Systems, LLC (Jean Thrower, is the control person)	Loan

September 13, 2018	1,134	705	429	September 12, 2019	Indebtedness convertible to common shares at \$0.005 per Share	T. Scott Steciw	Loan
November 27, 2018	1,621	1,000	621	November 26, 2019	Indebtedness convertible to common shares at \$0.005 per Share	T. Scott Steciw	Loan
December 1, 2018	4,860	3,000	1,860	November 30, 2019	Indebtedness convertible to common shares at \$0.005 per Share	T. Scott Steciw	Loan
January 20, 2019	4,795	3,000	1,795	January 19, 2020	Indebtedness convertible to common shares at \$0.005 per Share	T. Scott Steciw	Loan
April 8, 2019	2,290	1,500	790	April 8, 2020	Indebtedness convertible to common shares at \$0.0075 per Share	T. Scott Steciw	Loan
July 5, 2019	4,809	3,500	1,309	July 5, 2021	Indebtedness convertible to common shares at \$0.005 per Share	Ron Henthorn	Loan
May 29, 2020	7,362	6,000	1,362	May 29, 2022	Indebtedness convertible to common shares at \$0.005 per Share	NWBB, Inc. (Marc Hatch is the control person)	Loan
June 5, 2020	11,253	9,000	2,253	June 5, 2021	N/A	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
June 5, 2020	11,253	9,000	2,253	June 5, 2021	N/A	NWBB, Inc. (Marc Hatch is the control person)	Loan
June 11, 2020	1,350	1,000	350	June 11, 2021	Indebtedness convertible to common shares at \$0.0065 per Share	Ron Henthorn	Loan
September 10, 2020	6,172	5,000	1,172	September 10, 2021	N/A	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
September 10, 2020	6,172	5,000	1,172	September 10, 2021	N/A	NWBB, Inc. (Marc Hatch is the control person)	Loan
December 22, 2020	20,680	17,500	3,180	December 22, 2022	Indebtedness convertible to common shares at \$0.007 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan

January 28, 2021	12,909	11,000	1,909	January 27, 2023	Indebtedness convertible to common shares at \$0.01 per Share	NWBB, Inc. (Marc Hatch is the control person)	Loan
January 28, 2021	12,909	11,000	1,909	January 27, 2023	Indebtedness convertible to common shares at \$0.01 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
March 19, 2021	23,266	20,000	3,266	March 19, 2023	Indebtedness convertible to common shares at \$0.01 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
April 23, 2021	20,789	18,000	2,789	April 23, 2023	Indebtedness convertible to common shares at \$0.01 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
June 16, 2021	22,863	20,000	2,863	June 16, 2023	Indebtedness convertible to common shares at \$0.01 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
July 22, 2021	20,434	18,000	2,434	July 22, 2023	Indebtedness convertible to common shares at \$0.005 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
August 2, 2021	1,163	1,000	163	August 2, 2022	Indebtedness convertible to common shares at \$0.0075 per Share	Prime Victor, LLC (Barry Henthorn is the control person)	Loan
August 3, 2021	19,820	17,500	2,320	August 3, 2023	Indebtedness convertible to common shares at \$0.0075 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
August 27, 2021	19,728	17,500	2,228	August 27, 2023	Indebtedness convertible to common shares at \$0.0075 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
September 24, 2021	16,818	15,000	1,818	September 24, 2023	Indebtedness convertible to common shares at \$0.0075 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
October 18, 2021	22,319	20,000	2,319	October 18, 2023	Indebtedness convertible to common shares at \$0.0075 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
November 19, 2021	16,634	15,000	1,634	November 19, 2023	Indebtedness convertible to common shares at \$0.0075 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
December 22, 2021	12,670	11,500	1,170	December 22, 2023	Indebtedness convertible to common shares at \$0.005 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan

January 26, 2022	21,881	20,000	1,881	January 26, 2024	Indebtedness convertible to common shares at \$0.005 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
March 4, 2022	7,601	7,000	601	March 4, 2024	Indebtedness convertible to common shares at \$0.005 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
April 26, 2022	15,040	14,000	1,040	April 25, 2024	Indebtedness convertible to common shares at \$0.005 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
July 25, 2022	12,128	11,500	628	July 25, 2024	Indebtedness convertible to common shares at \$0.005 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
August 4, 2022	14,207	13,500	707	August 4, 2024	Indebtedness convertible to common shares at \$0.005 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
October 18, 2022	10,359	10,000	359	October 18, 2024	Indebtedness convertible to common shares at \$0.005 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
November 23, 2022	11,823	11,500	323	November 23, 2024	Indebtedness convertible to common shares at \$0.0025 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
January 12, 2023	6,611	6,500	111	January 12, 2025	Indebtedness convertible to common shares at \$0.0025 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan

The below space provides any 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 March 31, 2023:

- None

#### **Item 4. 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. Initially, 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, and exclusively after June, 2017 when it sold its last retail location, Baristas refocused its business on its wholesale and direct to customer coffee-based products under the Baristas brand name.

Pertinent material aspects of our coffee business and product offering are summarized as follows:

- During 2016, an example of one of its Baristas brand coffee-based products was 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, with "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.
- In September 2019, the Company purchased and installed a line of manufacturing equipment that 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.
- In September 2019, the Company began 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 2021 and 2022, the Company 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 but, notwithstanding current expectations, there are no assurances that further disruptions in production and distribution will not arise.

The Company 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, the Company 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, the Company is the majority shareholder owning 780 shares of the 1,500 authorized Munchie Magic common shares. Munchie Magic, Inc. is a majority owned subsidiary of the Company.

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 virtual restaurants each have a bank account and are treated as separate businesses. Munchie Magic has opened more than 36 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 three months ended March 31, 2023, Munchie Magic generated approximately \$15,000 of revenues and approximately \$6,000 of gross margin. Despite the slowing economy and inflation, 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 pays the related corporation \$1,000 per month. The amounts earned by, and paid to, the related corporation totaled \$3,000 for the three months ended March 31, 2022. This agreement was terminated on July 1, 2022.

Since January 1, 2020, the Company has entered into consulting agreements with an individual to provide technology related services to the Company. Under the initial consulting agreement, 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. These shares were not issued to the consultant as of May 12, 2023. Under the next consulting agreement dated January 1, 2021, the consultant earned 500,000 restricted shares of the Company's common stock on January 1, 2022. These shares were valued at \$7,900 or \$.0158 per share. The shares were not issued to the consultant as of May 12, 2023. Under the next consulting agreement dated January 1, 2022, the consultant earned 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. These shares were not issued to the consultant as of May 12, 2023.

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 \$10,500 under the agreement for the three months ended March 31, 2023. Under the subject agreements, Munchie Magic owed the related corporation \$65,070 at March 31, 2023.

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 January 25, 2021, the Company entered into consulting agreements with an individual to provide technology related services to the Company. Under the foregoing consulting agreement, 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. These shares were not issued to the consultant as of May 12, 2023.

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. This agreement terminated on August 15, 2022. As of March 31, 2023, Ms. Montgomery is owed \$26,250 under the one-year Sales Consultant Agreement.

On August 16, 2021, Munchie Magic signed three (3) Munchie Magic - Thai Dah Royalty Payment Agreements with Barry Henthorn (the Company's CEO) and two corporations. Under these agreements, 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 that 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 that agreement, MiniBar Magic will pay a license fee to the related corporation equal to \$.35 per transaction (customer order).

For the three months ended March 31, 2023, 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 \$235 were earned and paid to the related corporation.

On August 1, 2022, a Work for Hire Agreement was signed between the Company and Hanford Jordan to provide financial services to the Company. The agreement terminates on July 31, 2023. The consultant must work 7.5 hours per week under the agreement. The consultant is compensated \$1,000 per month starting on October 1, 2022. In addition, Mr. Jordan received 500,000 restricted shares of the Company's stock upon signing the agreement. The shares were valued at \$5,350 or \$.0107 per share. These shares were not issued to Mr. Jordan as of May 12, 2023. For the three months ended March 31, 2023, the consultant has earned and been paid \$3,000.



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 is 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 restricted 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 contract expired on February 29, 2020. The Executives earned 10,000,000 restricted shares valued at \$953,568 or \$.0954 per share for the period from March 1, 2016 through February 28, 2017 and earned 10,000,000 restricted shares valued at \$74,500 or \$.00745 per share for the period from March 1, 2017 through February 28, 2018. The February 28, 2017 & 2018 restricted 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 period from 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 period from 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 May 12, 2023.

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 during the period 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 May 12, 2023. 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 an entity 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. The consultant will be paid \$10,000 per month for an aggregate of \$120,000 over the term of the contract. As of March 31, 2023, Prime Vector is owed \$113,209 under the subject 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 36 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 5. Issuer’s Facilities.**

**Description of Corporate Offices**

Baristas’ corporate offices are located at 2926 184th Pl. SE, Bothell, WA 98012, and are 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 can obtain them at commercially reasonable prices.

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

**Item 6. Officers, Directors and Control Persons.**

The table below provides information, as of May 12, 2023, regarding any officers, or directors of the Company, individuals or entities controlling more than 5% of any class of the issuer’s securities, or any person that performs a similar function, regardless of the number of shares they own. Also, if any listed persons 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 (City, State) of an individual representing the corporation or entity in the note section.

Include Company Insiders who own any outstanding units or shares of any class of any equity security of the issuer.

The goal of this Item 6 is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

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)	Names of control person(s) if a corporate entity
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	5%+ shareholder (2)	Tampa, Florida	19,051,501 (3) 12,866,000	Common Series A Preferred	9.9% 49.6%	

The space below provides any additional details, including footnotes to the table above:

(1) As of May 12, 2023, 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 (9) in Item 3A above.

## Item 7. Legal/Disciplinary History.

A. Identify whether any of the persons or entities listed above have, in the past 10 years, been the subject of:

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 which any of their property is 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 8. Third Party Providers**

Securities Counsel (Counsel preparing Attorney Letters):

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

Accountant or Auditor:

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

Investor Relations: None

*All other means of Investor Communication:*

Twitter:	No
Discord:	No
LinkedIn:	No
Facebook:	Yes
Other:	None

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

**Item 9. 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 qualifications of the person who prepared the financial statements: The accountant is a CPA licensed by the Texas State Board of Public Accountancy.

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 three months ended March 31, 2023 and 2022, our revenues were \$15,366, and \$68,296, respectively, and we incurred net losses of \$87,871 and \$103,360, respectively. We have an accumulated deficit since inception of \$17,874,866. 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 three months ended March 31, 2023 and 2022 respectively, Munchie Magic generated \$15,366 and \$59,796 of revenues and \$5,904 and \$10,404 of gross margin. Despite near-term decreases in revenues due to a slowing economy, a software issue in February 2023 and inflation, 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 on the Company's ability to continue as a going concern for a reasonable period of time.

### **Liquidity and Capital Resources**

As of March 31, 2023, we had cash of \$4,621 and a working capital deficit of \$784,469. This compares to cash of \$2,411 and a working capital deficit of \$705,868 at December 31, 2022.

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 March 31, 2023 compared to the three months ended March 31, 2022:**

**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 the business of our Munchie Magic subsidiary. Our net losses were \$87,871 and \$103,360 comparing the three months ended March 31, 2023 to the three months ended March 31, 2022. The \$15,489 decrease in net losses is attributable to the factors listed below.

**Revenues.** We generated total revenues from operations of \$15,366 and \$68,296 for the three months ended March 31, 2023 and 2022, respectively. The decrease of \$52,930 is primarily attributable to the business of our Munchie Magic subsidiary and the slowing economy, a software issue in February 2023, inflation and inventory availability issues with the Baristas business for the three months ended March 31, 2023.

*Gross Margins.* Once cost of revenues are considered, we reported gross margins of \$5,904 or 38% of sales and \$16,942 or 25% of sales for the three months ended March 31, 2023 and 2022, respectively. The decrease of \$11,038 is attributable to the lower sales volume from our Munchie Magic subsidiary due to a slowing economy, a software issue in February 2023 and inflation.

*Operating Expenses.* Our operating expenses were \$55,165 and \$83,383 for the three months ended March 31, 2023 and 2022, respectively. The decrease of \$28,218 was attributable to an approximate \$5,000 decrease in stock-based compensation for our CEO and others, an approximate \$20,000 decrease in professional fees primarily from lower professional fees incurred by our Munchie Magic subsidiary and an approximate \$3,000 decrease in other general and administrative expense.

*Other (Income) Expense.* Our total other (income) expense was \$38,610 and \$36,919 for the three months ended March 31, 2023 and 2022, respectively. The increase of \$1,691 in expense was attributable to a \$1,691 increase in net interest expense from our convertible related party, third-party promissory notes and related party notes receivable.

### **Capital Structure and Resources**

We had total assets of \$696,453 as of March 31, 2023, which consisted of cash of \$4,621, prepaid expenses of \$582, related party notes receivable of \$624,050 (including accrued interest) and barter exchange of \$67,200.

We had total liabilities of \$1,444,186 as of March 31, 2023 consisting of accounts payable of \$52,260, accrued expenses of \$511,183, amounts due related parties of \$222,992, notes payable of \$67,250, related party convertible notes payable of \$46,350, convertible notes payable of \$476,703 (net of discount), royalty payable of \$36,984 from our Munchie Magic subsidiary, and long-term convertible notes payable of \$30,464 (net of discount). For further information and details for the accrued expenses see Note 4 (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 5 (Notes Payable) to the financial statements attached hereto as Exhibit A and information set forth in Item 3 B above.

At March 31, 2023, we had a total stockholders' deficiency of \$747,733. We have net losses since inception and an accumulated deficit of \$17,874,866 at March 31, 2023.

We used net cash in operating activities of \$4,290 for the three months ended March 31, 2023. Net cash of \$6,500 was provided by financing activities for the three months ended March 31, 2023 from a convertible promissory note from a corporation.

**Item 10. Issuer's Certifications.**

I, Barry Henthorn, certify that:

1. I have reviewed the March 31, 2023 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: May 12, 2023.

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 Months Ended March 31, 2023 and 2022**

# BARISTAS COFFEE COMPANY INC.

Consolidated Balance Sheets (Unaudited)

	March 31, 2023	December 31, 2022
<b>Assets</b>		
Current assets:		
Cash	\$ 4,621	\$ 2,411
Prepaid expenses	582	3,332
Notes receivable - related parties	624,050	614,095
Total current assets	<u>629,253</u>	<u>619,838</u>
Other assets		
Barter exchange	67,200	67,200
Total other assets	<u>67,200</u>	<u>67,200</u>
<b>Total Assets</b>	<u><u>\$ 696,453</u></u>	<u><u>\$ 687,038</u></u>
<b>Liabilities and Stockholders' Equity (Deficiency)</b>		
Current liabilities:		
Accounts payable	\$ 52,260	\$ 48,754
Accrued expenses	511,183	503,187
Due to related parties	222,992	186,297
Notes payable	67,250	67,250
Related party convertible notes	46,350	46,350
Convertible notes, net of discount of \$40,792 and \$51,314 at March 31, 2023 and December 31, 2022, respectively	476,703	439,181
Royalty payable	36,984	34,687
Total current liabilities	<u>1,413,722</u>	<u>1,325,706</u>
Long term liabilities:		
Convertible notes, net of discount of \$36,536 and \$50,888 at March 31, 2023 and December 31, 2022, respectively	30,464	36,612
Total long term liabilities	<u>30,464</u>	<u>36,612</u>
Total liabilities	1,444,186	1,362,318
Commitments and contingencies		
Stockholders' Equity (Deficiency):		
Series A preferred stock, \$0.001 par value; 30,000,000 shares authorized, 25,928,358 shares issued and outstanding as of at March 31, 2023 and December 31, 2022	25,928	25,928
Common stock, \$0.001 par value, 600,000,000 shares authorized, 192,116,272 issued and outstanding as of at March 31, 2023 and December 31, 2022	192,116	192,116
Additional paid-in capital	16,444,914	16,438,414
Common stock to be issued	464,175	455,257
Accumulated deficit	(17,874,866)	(17,786,995)
Total stockholders' equity (deficiency)	<u>(747,733)</u>	<u>(675,280)</u>
<b>Total Liabilities and Stockholders' Deficiency</b>	<u><u>\$ 696,453</u></u>	<u><u>\$ 687,038</u></u>

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	
	March 31, 2023	March 31, 2022
Revenue	\$ 15,366	\$ 68,296
Cost of revenue	9,462	51,354
Gross margin	5,904	16,942
Operating expenses:		
Stock-based compensation	618	5,591
Professional fees	39,385	59,762
General and administrative	15,162	18,030
Total operating expenses	55,165	83,383
Net operating loss	(49,261)	(66,441)
Other (income) expense:		
Interest income	(9,955)	(10,547)
Interest expense	48,565	47,466
Impairment expense	-	-
Total other (income) expense	38,610	36,919
Net loss	\$ (87,871)	\$ (103,360)
Basic income loss per share	\$ (0.000)	\$ (0.001)
Weighted average number of common shares outstanding - basic and diluted	192,116,272	187,357,890

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 March 31, 2023 and 2022

	Common Stock		Preferred Stock		Additional	Common Stock	Accumulated	Total
	Shares	Amount	Shares	Amount	Paid-In Capital	To Be Issued	Deficit	Stockholders' Deficiency
<b>For the Three Months Ended March 31, 2022</b>								
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	2,680,085	2,680	-	-	14,742	-	-	17,422
Preferred stock converted to common stock in a prior year	-	-	(1,400,000)	(1,400)	1,400	-	-	-
Discount on shares issued for notes payable	-	-	-	-	27,000	-	-	27,000
Stock based compensation	-	-	-	-	-	24,624	-	24,624
Net income	-	-	-	-	-	-	(103,360)	(103,360)
Balance at March 31, 2022	<u>190,037,975</u>	<u>\$ 190,037</u>	<u>25,928,358</u>	<u>\$ 25,928</u>	<u>\$ 16,381,603</u>	<u>\$ 448,319</u>	<u>\$ (17,233,357)</u>	<u>\$ (187,470)</u>
<b>For the Three Months Ended March 31, 2023</b>								
Balance at December 31, 2022	192,116,272	\$ 192,116	25,928,358	\$ 25,928	\$ 16,438,414	\$ 455,257	\$ (17,786,995)	\$ (675,280)
Discount on shares issued for notes payable	-	-	-	-	6,500	-	-	6,500
Stock based compensation	-	-	-	-	-	8,918	-	8,918
Net income	-	-	-	-	-	-	(87,871)	(87,871)
Balance at March 31, 2023	<u>192,116,272</u>	<u>\$ 192,116</u>	<u>25,928,358</u>	<u>\$ 25,928</u>	<u>\$ 16,444,914</u>	<u>\$ 464,175</u>	<u>\$ (17,874,866)</u>	<u>\$ (747,733)</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 Three Months Ended	
	March 31, 2023	March 31, 2022
Cash flows from operating activities:		
Net loss	\$ (87,871)	\$ (103,360)
Adjustments to reconcile net loss to net cash used in operating activities:		
Non-cash interest	48,565	47,466
Non-cash interest income	(9,955)	(10,547)
Stock-based compensation	618	5,590
Changes in operating assets and liabilities:		
Inventory	-	(2,584)
Prepaid expenses	2,750	1,750
Accrued expenses and other current liabilities	40,201	31,333
Royalty payable	1,402	3,154
Net cash used in operating activities	(4,290)	(27,198)
Cash flows from financing activities		
Proceeds from issuance of long-term convertible notes payable	6,500	27,000
Net cash provided by financing activities	6,500	27,000
Net increase (decrease) in cash	2,210	(198)
Cash - beginning of the year	2,411	3,348
Cash - end of the quarter	\$ 4,621	\$ 3,150
Supplemental disclosures:		
Interest paid	\$ -	\$ -
Cash paid for income taxes	\$ -	\$ -
Supplemental disclosure for non-cash financing activities:		
Convertible notes payable settled by common shares	\$ -	\$ 17,422
Discounts on convertible notes payable	\$ 6,500	\$ 27,000

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

**BARISTAS COFFEE COMPANY, INC.**  
**Notes to Financial Statements (Unaudited)**  
**As of March 31, 2023**

**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 operates at 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 March 31, 2023 and December 31, 2022, the Company had cash of \$4,621 and \$2,411, 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.

At March 31, 2023 and December 31, 2022, all assets and liabilities of the Company approximate the 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.

### ***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. With the declining coffee business, the Company reported a \$250,000 impairment charge for the remaining balance of goodwill in the accompanying consolidated statement for operations at December 31, 2022.

### ***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 \$67 and \$1,993 for the three months ended March 31, 2023, and 2022, 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 an 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 \$618 and \$5,591 for the three months ended March 31, 2023 and 2022, respectively.

#### ***Income Taxes***

The Company's policy is to provide for deferred income taxes based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates that will be in effect when the differences are expected to reverse. The U.S. Tax Cuts and Jobs Act (TCJA) legislation reduces the U.S. federal corporate income tax rate from 35.0% to 21.0% and is effective June 22, 2018 for the Company. On January 1, 2023, the U.S. federal corporate income tax increased from 21% to 28%. We did not provide any current or deferred U.S. federal income tax provision or benefit for any of the periods presented because we have experienced operating losses since inception. When it is more likely than not that a tax asset cannot be realized through future income the Company must allow for this future tax benefit. We provided a full valuation allowance on the net deferred tax asset, consisting of net operating loss carryforwards, because management has determined that it is more likely than not that we will not earn income sufficient to realize the deferred tax assets during the carryforward period.

The Company is not aware of any uncertain tax position that, if challenged, would have a material effect on the financial statements for the year ended March 31, 2023 or during the prior three years applicable under FASB ASC 740. We did not recognize any adjustment to the liability for uncertain tax position and therefore did not record any adjustment to the beginning balance of accumulated deficit on the consolidated balance sheet. The Company is in the process of filing all unfiled tax returns. All tax returns for the Company remain open for examination.

#### ***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 the periods presented. As of March 31, 2023, the Company has no options or warrants outstanding. At March 31, 2023, the total shares issuable upon conversion of convertible notes payable to officers, directors and third parties would be approximately 116,833,000 shares of the Company's common stock.

#### ***Recent Accounting Pronouncements***

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 three months ended March 31, 2023, the Company has a loss from operations of \$87,871 and an accumulated deficit of \$17,874,866 at March 31, 2023. 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.

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 the management's plan will be successful.

## NOTE 3 – RELATED PARTY TRANSACTIONS

### *Executive compensation*

On October 10, 2017, the Company signed employment agreements to issue 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 March 31, 2023, 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 March 31, 2023, 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 second one-year Work for Hire Agreement with Prime Vector, LLC for general consulting services rendered to the Company. The consultant will be paid \$10,000 per month for an aggregate of \$120,000 over the term of the contract. Prime Vector LLC has earned \$30,000 under the agreements for the three months ended March 31, 2023 and 2022. Under the agreement, the unpaid amounts due Prime Vector LLC was \$113,209 and \$83,209 at March 31, 2023 and December 31, 2022, 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 \$10,000 cash 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 amount due to the Company's CEO was \$15,468 at March 31, 2023 and December 31, 2022.

### *Notes Receivable*

The Company has various convertible 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 dates 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 \$0.007 to \$0.01 per share. On December 31, 2022, the Company netted \$27,119 of principal and accrued interest from five related party notes receivable with five notes payable from the related party. The balance of the loans receivable with accrued interest was \$624,050 and \$614,095 at March 31, 2023 and December 31, 2022, respectively. The Company

will evaluate the collectability of the loans annually. The Company recognized interest income of \$9,955 and \$10,547 for the three months ended March 31, 2023, and 2022, respectively, in the accompanying consolidated statements of operations.

#### *Notes Payable*

The Company has issued various notes payable and short-term and long-term convertible notes payable to related parties. See Note 5 Note Payable for a discussion of these notes.

#### *Other amounts due to related parties*

Amounts due the Company's CEO were \$29,245 and \$28,430 at March 31, 2023 and December 31, 2022, 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 for the three months ended March 31, 2023 and 2022. All amounts due under the agreement were paid to the related corporation. The contract terminated on July 1, 2022.

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 \$10,400 under the agreement for three months ended March 31, 2023 and 2022. Under the agreement, Munchie Magic owed the related corporation \$65,070 and \$59,190 at March 31, 2023 and December 31, 2022, 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 \$235 and \$1,770 for the three months ended March 31, 2023 and 2022, respectively. All amounts due under the agreements were paid to the related corporation.

The aggregate of the amounts due to related parties recorded in the accompanying consolidated balance sheets was \$222,992 and \$186,297 at March 31, 2023 and December 31, 2022, respectively.

## NOTE 4– ACCRUED EXPENSES

Accrued expenses consist of the following:

		<u>March 31, 2023</u>		<u>December 31, 2022</u>
<b>Accrued Compensation</b>	\$	26,250	\$	34,550
<b>Accrued Payroll Taxes</b>		239,531		239,531
<b>Accrued Interest</b>		<u>245,402</u>		<u>229,106</u>
	\$	511,183	\$	503,187

The accrued payroll taxes represented unpaid federal income taxes including penalty and interest through March 31, 2023 from a liability incurred in prior years for former employees.

## NOTE 5 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%. On December 31, 2022, the Company netted \$3,453 of principal and interest from the related corporation's note payable with a note receivable from the related corporation.

### *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 \$76,800 and \$76,068 at March 31, 2023 and December 31, 2022, 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% to 15% for the promissory notes. In addition, at any time, the related parties 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 March 31, 2023. The debt discounts are amortized through the terms of the notes. On December 31, 2022, the Company netted \$23,666 of principal and accrued interest from four related party notes receivable with four notes payable from the related party. The outstanding balances including accrued interest at March 31, 2023 and December 31, 2022 was \$96,959 and \$95,188, respectively. At March 31, 2023 and December 31, 2022 there was a \$-0- debt discount outstanding. The Company is not compliant with the repayment terms for these notes payable.

As of March 31, 2023, 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 \$-0- and \$688 for the three months ended March 31, 2023 and 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 March 4, 2024. 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 March 31, 2023. The debt discounts are amortized through the terms of the notes. The outstanding balances including accrued interest at March 31, 2023 and December 31, 2022 were \$699,570 and \$658,132, respectively. The outstanding principal balances, net of debt discount at March 31, 2023 and December 31, 2022 were \$476,703 and \$439,181, respectively. The Company is not compliant with the repayment terms for the majority of these notes payable.

As of March 31, 2023, 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 \$24,022 and \$8,110 for the three months ended March 31, 2023 and 2022, respectively, 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 a corporation. The loans bear interest at 8% and have various maturity dates through January 12, 2025. After maturity, some of the convertible notes, the interest rate increases to 10%. 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 \$0.0025 to \$0.005 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 the three months ended March 31, 2023 was \$6,500. The debt discounts are amortized through the terms of the notes. The outstanding balances including accrued interest at March 31, 2023 and December 31, 2022 was \$70,168 and \$91,313, respectively. The outstanding principal balances, net of debt discount at March 31, 2023 and December 31, 2022 were \$30,464 and \$36,612, respectively.

As of March 31, 2023, 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 \$7,355 and \$22,398 for the three months ended March 31, 2023 and 2022, respectively, in the accompanying consolidated statements of operations.

## **NOTE 6 – STOCKHOLDER’S EQUITY**

### ***Preferred Stock***

The Company has authorized 30,000,000 preferred shares with a par value of \$0.001 per share. The 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. The Series A Preferred Stock may be converted to shares of the Company stock based on quotient obtained by dividing the original purchase price, by the applicable conversion value. The applicable conversion value shall be the original purchase price as adjusted from time to time for extraordinary circumstances.

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 the three months ended March 31, 2023.

As at March 31, 2023 and December 31, 2022, there were 25,928,358 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, 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 the three months ended March 31, 2023, the Company issued the following shares of common stock:

- None.

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. These shares were not issued to the consultant as of March 31, 2023.

On July 9, 2021, the Company signed an agreement with a consultant for accounting services to the Company. The consultant is compensated with cash and paid \$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 five (5) days prior to the date of each invoice. As of March 31, 2023, the consultant has earned 824,910 restricted shares of the Company common stock valued at \$10,920 or \$0.0132 per share. These shares were not issued to the consultant as of March 31, 2023.

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. These shares were not issued to the Company's CEO as of March 31, 2023.

During January 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 \$0.0088 per share. These shares were not issued to the consultants as of March 31, 2023.

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 \$0.04 per share. These shares were not issued to the Company's CEO at March 31, 2023.

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. These shares were valued at \$9,000 or \$0.018 per share. The shares were not issued to the consultant as of March 31, 2023.

On March 1, 2021, the Company's CEO earned 5,000,000 restricted shares of the Company common stock pursuant to a one-year employment agreement dated March 1, 2020. The shares were valued at \$63,500 or \$0.0127 per share. These shares were not issued to the Company's CEO at March 31, 2023.

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 \$0.0238 per share. These shares were not issued to the consultants as of March 31, 2023.

During August 2022, a consultant earned 500,000 restricted shares of the Company common stock pursuant to consulting agreements for services to the Company. The shares were valued at \$5,350 or \$0.0107 per share. These shares were not issued to the consultants as of March 31, 2023.

During January 2023, a consultant earned 500,000 restricted shares of the Company common stock pursuant to a consulting agreement for service to the Company. The shares were valued at \$8,300 or \$0.0166 per share. These shares were not issued to the consultants as of March 31, 2023.

There were 192,116,272 common shares issued and outstanding at March 31, 2023 and December 31, 2022.

### ***Munchie Magic 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 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 March 31, 2023 and 2022, royalties earned under the agreements were \$1,402 and \$3,150, respectively, Munchie Magic owed a royalty payable of \$36,94 and \$34,687 at March 31, 2023 and December 31, 2022, respectively, in the accompanying consolidated balance sheets.

#### **NOTE 7 – 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 March 31, 2023 and December 31, 2022. There has been no bartering activity since July 2017. The Company evaluated the fair value of the barter exchange assets at March 31, 2023 and determined the asset was not impaired.

#### **NOTE 8 – 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 contract terminated on August 15, 2022. The consultant earned \$7,500 for the three months ended March 31, 2022. The consultant is owed \$26,250 at March 31, 2023 and December 31, 2022.

On August 1, 2022, a Work for Hire Agreement was signed between the Company and a consultant to provide financial services to the Company. The contract terminates on July 31, 2023. The consultant must work 7.5 hours per week under the agreement. The consultant is compensated \$1,000 a month starting on October 1, 2022. For the three months ended March 31, 2023, the consultant has earned \$3,000 under the agreement. In addition, the consultant received 500,000 restricted shares of the Company stock upon signing the agreement. The shares were valued at \$5,350 or \$.0107 per share. The 500,000 have not been issued to the consultant as of March 31, 2023.

#### **NOTE 9 – SUBSEQUENT EVENTS**

During May, 2023, it has been determined that the Certificate of Designation filed referenced only 15,000,000 shares (not 30,000,000 shares) of the authorized preferred stock as “Series A Preferred Stock.” Since there are currently 25,928,358 shares of Series A Preferred Stock issued and outstanding, the Company intends to undertake efforts to have all its authorized preferred stock designated as being “Series A Preferred Stock.” Necessary corrective action can be taken by filing an appropriate Certificate of Correction with the Nevada Secretary of State. Alternatively, the subject defective corporate action can be corrected and cured by following the procedures and requirements set forth in pertinent provisions of NRS 78.0295 and 78.0296.

The Company has evaluated all events occurring subsequently to these financial statements through May 12, 2023 and determined there were no other items to disclose except as noted herein.