

# **DISCLOSURE STATEMENT**

**SIPP INTERNATIONAL INDUSTRIES, INC.**

**12/31/2012**

**Item 1 Exact name of the issuer and the address of its principal**

## **executive offices.**

**SIPP INTERNATIONAL INDUSTRIES, INC.** a Nevada Corp. formed January 10, 1991  
3651 Lindell Rd. Suite D Las Vegas, Nv. 89103  
(800)524-2565 Phone  
(800)524-2565 Fax  
[www.sippii.com](http://www.sippii.com)  
*Company web site is maintained by the management.*

## **Item 2 Shares outstanding.**

250,000,000 common shares authorized  
32,404,893 common shares issued and outstanding  
20,000,000 Preferred A shares authorized  
0 Preferred A shares issued and outstanding

## **Item 3 Interim financial statements.**

# SIPP INTERNATIONAL INDUSTRIES, INC.

## Balance Sheet 12/31/2012

### **Assets**

#### **Current Assets**

Cash and Cash Equivalent (note#1)	\$ 125,900
Accounts Receivable (note #2)	26,375
Prepaid Expenses -	
Inventory -	
<b>Total Current Assets</b>	<b>\$ 152,275</b>

#### **Fixed Assets**

Machinery & Equipment (note #3)	97,340
Furniture & Fixtures (note #4)	6,755
Leasehold Improvements -	
Real Estate / Buildings -	
Other (note #5)	165,000
<b>Total Fixed Assets</b>	<b>\$ 269,095</b>

#### **Other Assets**

Patent, rights, trade agreements, strategic alliances, trademarks La Bon Table Products (note #6)	6,350,000
Full rights, strategic alliances, trademarks, contracts, and proprietary information, Newport Creek Hospitality, Inc. (note#7)	4,000,000
<b>Total other Assets</b>	<b>10,350,000</b>
<b>Total Assets</b>	<b>10,619,095</b>

### **Liabilities & Net Worth**

#### **Current Liabilities**

Accounts Payable (note #8)	18,010
Taxes Payable -	

#### **Balance Sheet Cont'd 12/31/2013**

Notes Payable (due within 12 months) -	
Current Portion Long-term Debt -	

Other current liabilities (specify) -	
<b>Total Current Liabilities</b>	<b>\$ 18,010</b>
<b>Long-term Liabilities</b>	
Letter of Credit for manufacturing (note # 9)	\$ 750,000
Less: Short-term Portion (note #10)	7,500
Notes Payable to Stockholders -	
Investor Relations (note #11)	77,000
<b>Total Long-term Liabilities</b>	<b>\$ 834,500</b>
<b>Total Liabilities</b>	<b>\$ 852,510</b>
<b>Owners' Equity (Net Worth)</b>	<b>\$ 9,766,585</b>
<b>Total Liabilities &amp; Net Worth</b>	<b>\$ 10,619,095</b>

#### **Notes to balance sheet**

**SIPP International Industries, Inc.** (the "company") a Nevada Corporation formed on January 10, 1991. The company's year ends March 31 and has never been in bankruptcy, receivership or any similar proceedings. The company was and is in the business of overseeing the development of several product lines with their strategic partners, La Bonne

Table Productions, the La Bonne Table Corp., and Newport Creek Hospitality. These partners have combined to develop several divisions of SIPP which would encompass a Food & Beverage Division, a High Tech Storage Transport Container Division, and a Hospitality Division. The company has recently been granted the exclusive rights to a product known as Pyro Chill; a liquid fire inhibitor. Unlike fire retardants currently in the marketplace today, Pyro Chill is a non toxic, non corrosive, and environmentally friendly. Any material that can be treated with this inhibitor will render the material totally fire proof and flame proof.

On September 19, 2011, the company had concluded the final purchases of full rights and title to the La Bonne Table product lines which include "au" Le Cadeau Natural Mountain Spring Water, La Bonne Table Gourmet Dinner Entrees, and La Bonne Table Productions; inclusive of all television broadcast equipment and fully developed programming. On September 24, 2011, the company finalized the purchase of all rights and title to Newport Creek Hospitality, a management company of hotel resort properties.

The company is currently listed for trading on the OTC Markets, trading symbol "SIPN". The company enjoys the benefit of having fully developed products ready for market. It is and always has been the intent of the company to fully develop their stable of products before any products are introduced to domestic and international markets. The company intends to launch its first product "Pyro Chill" through direct response television beginning March of 2013.

In addition, the company intends to utilize its television production facilities to further create brand and consumer awareness through the creation of its planned television production of "So You Wanna Be a Chef?" a one hour; (28) episode series designed to teach culinary arts to the general viewing audience. The company feels that by utilizing this approach they will be creating more consumer and brand awareness. Further, the company has concluded that the television exposure would simplify the process of marketing their products when the product is recognized beforehand.

In September of 2011, the company entered into an investor relations agreement with RAMM Investor Relations. The company paid RAMM with 3,000,000 shares of the common stock of SIPP in exchange for Investor relation services and for \$400,000.00 in final stage operating cash. RAMM was sent the shares in good faith. The company never received the \$400,000.00 payment and on February 1, 2012, RAMM sold the shares on the open market creating a drastic plunge of the share price. The company has since filed criminal charges against RAMM. Due to the fraudulent activity of RAMM, the company was forced to reserve 15,000,000 shares out of its treasury stock to utilize for a Limited Private Offering (LPO) to raise the funds necessary to fund the final stage as set forth in the Business Plan dated November 2012.

### **Basis of Presentation/Going Concern**

The accompanying financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, which contemplate continuation of the Company as a going concern. In the company's previous quarterly balance sheet, the

Company had no material assets and a negative retained deficit while operating as SIPP INTERNATIONAL INDUSTRIES, INC. These conditions raised substantial doubt as to the Company's ability to continue as a going concern at that time. However, it should be noted that the company has been successful in completing the acquisition of certain rights and title to the "fully developed products" as reflected on the face of this balance sheet. As per the business plan dated November of 2012, the company is seeking PIPE funding up to the aggregate amount of \$250,000.00. If the company fails to raise the capital as outlined in the business plan, raises substantial doubt as to the Company's ability to continue as a going concern.

*These statements do not include any adjustments that might result from the outcome of uncertainty. In addition, these financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.*

### **Stock Based Compensation**

SFAS No. 123, "Accounting for Stock-Based Compensation," establishes and encourages the use of the fair value based method of accounting for stock-based compensation arrangements under which compensation cost is determined, using the fair value of stock-based compensation determined as of the date of grant and is recognized over the periods in which the related services are rendered. For stock based compensation the Company recognizes an expense in accordance with SFAS No. 123 and values the equity securities based on the fair value of the security on the date of grant. For stock-based awards the value is based on the market value for the stock on the date of grant. Stock option awards are valued using the Black-Schools option-pricing model.

### **Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management and outside consultants to make estimates and assumptions that affect the reported amounts of assets and liabilities, as well as disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from these estimates.

### **Fair Value of Financial Instruments**

For certain of the Company's financial instruments, including cash and cash equivalents, other current assets, accounts payable, accrued interest and due to related party, the carrying amounts approximate fair value due to their short maturities.

### **Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Company defines cash equivalents as all liquid debt instruments purchased with a maturity of three months or less, plus all certificates of deposit. Concentration of Credit Risk Financial instruments, which potentially subject the Company to concentrations of credit risk, consist of cash and cash equivalents and accounts receivables. The Company places its cash with high quality financial institutions and at times may exceed the FDIC \$250,000 insurance limit. The Company extends credit based on an

evaluation of the customer's financial condition, generally without collateral. Exposure to losses on receivables is principally dependent on each customer's financial condition. The Company monitors its exposure for credit losses and maintains allowances for anticipated losses, as required.

### **Impairment of Long-Lived Assets**

SFAS No. 144 requires that long-lived assets to be disposed of by sale, including those of discontinued operations, be measured at the lower of carrying amount or fair value less cost to sell, whether reported in continuing operations or in discontinued operations. SFAS No. 144 broadens the reporting of discontinued operations to include all components of an entity with operations that can be distinguished from the rest of the entity and that will be eliminated from the ongoing operations of the entity in a disposal transaction. SFAS No. 144 also establishes a "primary-asset" approach to determine the cash flow estimation period for a group of assets and liabilities that represents the unit of accounting for a long-lived asset to be held and used.

### **Income Taxes**

The Company accounts for income taxes in accordance with SFAS No. 109, "Accounting for Income Taxes." Deferred taxes are provided on the liability method whereby deferred tax assets are recognized for deductible temporary differences, and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

### **Earnings (Loss) Per Share**

The Company reports earnings (loss) per share in accordance with SFAS No. 128, "Earnings per Share." Basic earnings (loss) per share is computed by dividing income (loss) available to common shareholders by the weighted average number of common shares available. Diluted earnings (loss) per share is computed similar to basic earnings (loss) per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if the potential common shares had been issued and if the additional common shares were dilutive. Diluted

earnings (loss) per share have not been presented since the effect of the assumed conversion of options and warrants to purchase common shares would have an anti-dilutive effect.

### **Recently Issued Accounting Pronouncements**

In December 2007, the FASB issued SFAS No. 141(R), Business Combinations (FAS 141(R)). This Statement provides greater consistency in the accounting and financial reporting of business combinations. It requires the acquiring entity in a business combination to recognize all assets acquired and liabilities assumed in the transaction, establishes the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed, and requires the acquirer to disclose the nature and financial effect of the business combination. FAS 141(R) is effective for

fiscal years beginning after December 15, 2009. We will adopt FAS 141(R) no later than the first quarter of fiscal 2013 and are currently assessing the impact the adoption will have on



our financial position and results of operations. In December 2007, the FASB issued SFAS No. 160, Non controlling Interests in Consolidated Financial Statements (FAS 160). This Statement amends Accounting Research Bulletin No. 51, Consolidated Financial Statements, to

establish accounting and reporting standards for the non controlling interest in a subsidiary and for the de consolidation of a subsidiary. FAS 160 is effective for fiscal years beginning after December 15, 2008. We will adopt FAS 160 no later than the first quarter of fiscal 2013 and are currently assessing the impact the adoption will have on our financial position and results of operations.

In February 2007, the FASB issued SFAS No. 159, The Fair Value Option for Financial Assets and Financial Liabilities, which permits entities to choose to measure at fair value eligible financial instruments and certain other items that are not currently required to be measured at fair value. The standard requires that unrealized gains and losses on items for which the fair value option has been elected be reported in earnings at each subsequent reporting date. SFAS No. 159 is effective for fiscal years beginning after November 15, 2007. We will adopt SFAS No. 159 no later than the first quarter of fiscal 2010. We are currently assessing the impact the adoption of SFAS No. 159 will have on our

financial position and results of operations. In September 2006, the FASB issued SFAS No. 158 Employers' Accounting for Defined Benefit Pension and Other Post-retirement Plans, an amendment of FASB Statements No. 87, 88, 106, and 132(R). SFAS No. 158 requires company plan sponsors to display the net over- or under-funded position of a defined benefit post-retirement plan as an asset or liability, with any unrecognized prior service costs, transition obligations or actuarial gains/losses reported as a component of other comprehensive income in shareholders' equity. SFAS No. 158 is effective for fiscal years ending after December 15, 2006. We adopted the recognition provisions of SFAS No. 158 as of the end of fiscal 2010.

The adoption of SFAS No. 158 did not have an effect on the Company's financial position or results of operations. In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements. SFAS No. 157 establishes a frame work for measuring fair value in generally accepted accounting principles, clarifies the definition of fair value and expands disclosures about fair value measurements. SFAS No. 157 does not require any new fair value measurements. However, the application of SFAS No. 157 may change current practice for some entities. SFAS No.157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim. The company is *assessing the impact that the adoption of SFAS No. 157 will have on our financial* position and results of operations.

In July 2006, the FASB issued Interpretation No. 48, Accounting for Uncertainty in Income Taxes an interpretation of FASB Statement No. 109 (FIN 48). This interpretation clarifies the application of SFAS No. 109, Accounting for Income Taxes, by defining a criterion that an individual tax position must meet for any part of the benefit of that position to be recognized in an enterprise's financial statements and also provides guidance on measurement, de-recognition, classification, interest and penalties, accounting in interim periods, disclosure and transition. FIN 48 is effective for fiscal

years beginning after December 15, 2006, but earlier adoption is permitted. The Company is in the process of evaluating the impact of the application of the Interpretation to its financial statements.



**Note 1- CASH & CASH EQUIVALENT**

The Company has on deposit with First Fidelity USA a combination of cash and 12,333,255 shares of Pennexx Foods Inc. stock. The current trade price is \$.0021 per share.

**Note 2- ACCOUNTS RECEIVABLE**

The company was assigned a "un collected funds account" in the state of California by La Bon Table in June of 2011.

**Note 3 – MACHINERY & EQUIPMENT**

The current list of Machinery & Equipment encompasses pre and post production video equipment; Tri Caster Edit Bay with carrying case, (3) Panasonic AG DVC pro line cameras, (1) Sony remote controlled robotic camera, (2) Panasonic AJHPX3100 Professional P2 HD Camcorders, (3) 16" i-pad teleprompters with mounts, (8) Sony wireless lavalier microphones, Matrix audio mixing console, (\$) Norman studio light kits, assorted green screens, assorted cables of up to 1,000 ft. in length, mini dv cassettes, batteries and chargers.

**Note 4- FURNITURE AND FIXTURES**

Various office furniture and equipment.

**Note 5- REAL PROPERTY, BUILDINGS, OTHER**

Value of the corporate entity if stripped of assets. (shell)

**NOTE 6- OTHER ASSETS CONTINUED**

On September 19, 2011, the company had entered into the final purchases of all rights and title to the La Bonne Table product lines, television production equipment and receivables. Being there was very little in the way of comparables in the industry, valuation was based on total funds spent on research and development, loss carry forward, tax loss carry forward, and the intangibles of the products involved. A proper company valuation functions as this value estimation. It was determined, through the opinion of management and outside consultation, that the acquired product lines, proprietary information, equipment, corporate intellectual Property was contracted for a purchase price of \$6,350,000.00 and was payable in common stock of the company at the closing days current market value. The Company mainly impaired this acquisition due to the determining factors as of the

value of the assets purchased, ie; the combined total cost of research and development to fully develop the products, total monies raised and spent, loss carry forwards, tax loss carry forwards, and recoverable property placed in safekeeping with a previous Director of La Bonne Table. The company determined the value of these assets using a myriad of methods. The company first established the need for determining a fair market value which would be used as a guideline. Then it was determined that a fair value would need to include "intangibles" as well. In addition to the numbers, the company had to consider the "quality" of the acquired assets, the nature of their liabilities (none) and their net tangible assets. Further, it had to be determined if some or all of the assets useful life would end in the near future (making the products obsolete) or was there room for change in the products to make them more appealing in the general market place as time goes on. Being

there was very little in the way of comparables in the industry, valuation was based on total funds spent on research and development, loss carry forward, tax loss carry forward, and the

intangibles of the products involved. A proper company valuation functions as this value estimation. . It was determined through outside consultation that the acquired La Bonne Table assets would be valued at the price in which these assets were obtained.

#### **NOTE 7- OTHER ASSETS CONTINUED**

The company completed its acquisition of Newport Creek Hospitality for 4,000,000 shares of the common stock of the corporation. In this acquisition, the company first established the need for determining a fair market value which would be used as a guideline. Then it was determined that a fair value would need to include "intangibles" as well. In addition to the numbers, the company had to consider the "quality" of the acquired assets, the nature of their liabilities (none) and their net tangible assets. Further, it had to be determined if some or all of the assets useful life would end in the near future (making the products obsolete) or was there room for change in the products to make them more appealing in the general market place as time goes on. Being there was very little in the way of comparables in the industry, valuation was based on total funds spent on research and development, loss carry forward, tax loss carry forward, and the intangibles of the products involved. A proper company valuation functions as this value estimation. . It was determined through outside consultation that the acquired La Bonne Table assets would be valued at the price in which these assets were obtained.

#### **NOTE 8- ACCOUNTS PAYABLE**

Due and Payable to (2) depository banks.

#### **NOTE 9- LONG TERM LIABILITIES**

An irrevocable, assignable, revolving letter of credit issued by First Fidelity, Inc. in favor of the company to be utilized for manufacturing purposes and securing broadcast advertising time slots. As of this date, the letter of credit has not been drawn down upon.

#### **NOTE #10- SHORT TERM PORTION**

Fee, due and payable to First Fidelity USA for the issuance of the letter of Credit once the letter of credit is drawn down upon.

#### **NOTE #11- INVESTOR RELATIONS LIABILITY**

Payable to investor relations firm, contract stipulates that the payment will be broken into 12 monthly payments in cash or stock.

END OF BALANCE SHEET

**SIPP INTERNATIONAL INDUSTRIES, INC.**

**Income Statement**

**Quarter ending December 31, 2013**

	<b>12/31/13</b>
<b>REVENUES</b>	0
<b>TOTAL GROSS INCOME</b>	0
<b>TOTAL COST OF SALES</b>	0
<b>Advertising</b>	0
<b>Automobile Expenses</b>	0
<b>Bank Fees</b>	0
<b>Ofce Supplies and Expenses</b>	0
<b>Misc. Operating Expenses</b>	0
<b>Postage</b>	0
<b>Professional Fees</b>	0
<b>Rent</b>	0
<b>Telephone</b>	0
<b>Travel and Entertainment</b>	0
<b>Utilities</b>	0
<b>Wages</b>	0

		Web hosting and Internet expense	0
		<b>TOTAL OPERATING EXPENSES</b>	0
		<b>OPERATING PROFIT OR LOSS</b>	0
		<b>NET INCOME</b>	0

## **SIPP INTERNATIONAL INDUSTRIES, INC.**

### **Statement of Cash Flow**

**Quarter ending December 31, 2013**

	<b>12/31/13</b>
<b>CASH FLOW FROM OPERATIONS</b>	0
Net Income	
Cash Flow From Operating Activities	0
Cash Flow From Investing Activities	0
Cash Flow From Financing Activities	0
Net Cash Flow	0
Beginning Cash and equivalent Balance	0

Ending Cash and equivalent Balance	0
Reconciliation of Net Income to	0
Operating Cash Flow	0

## **SIPP INTERNATIONAL INDUSTRIES, INC.**

### **Statement of Changes in Stock Holder Equity**

**Quarter Ending December 31, 2013**

<b>STOCK HOLDERS EQUITY</b>	<b>12/31/13</b>
Beginning Balance	32404893
Common Stock Currently Issued	
(@ \$.001 par value)	32404893
<b>ENDING BALANCE</b>	<b>32404893</b>

### **Item 4 Management's discussion and analysis or plan of operation.**

(SEE THE ATTACHED EXHIBIT MARKED "EXECUTIVE SUMMARY 2012")

### **Item 5 Legal proceedings.**

Currently, there are no legal proceedings active or pending against the company.

### **Item 6 Defaults upon senior securities.**

There has not been any default in payments of principal or interest, a sinking or purchase fund installment, or any other material default not cured within thirty days, with respect to any indebtedness of the issuer exceeding 5% of the total assets of the issuer. No default has occurred at this time.

### **Item 7 Other information.**

As per Part C, Business information Item 8 of the initial disclosure statement, the nature of the issuer's business. (For further information, see the attached EXECUTIVE SUMMARY 2012) Further, the company has recently completed the process of obtaining it Vendor # with the U.S. gov't which would enable the company to bid on certain government postings and contracts to supply food & beverage products, and medical products.

### **Item 8 Exhibits.**

Final Stage Funding Stock Subscription Agreement

**Item 9 Certifications.**

Certification:

**I Gregg Pearson, certify that:**

1. I have reviewed this Disclosure Statement of **SIPP INTERNATIONAL INDUSTRIES, INC.**

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of 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, nor misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement. Other materials in regard to the company can be obtained at <http://www.otcmarkets.com/sipn>

Gregg Pearson:



Gregg Pearson  
Chairman of the Board  
SIPP International Industries, Inc.

2/27/2013