

**Unique Pizza & Subs Corporation**  
322 Mall Blvd #149  
Monroeville PA 15146

***COMPANY INFORMATION AND DISCLOSURE STATEMENT***  
**FOR THE YEAR ENDED**

December 31, 2016

March 27, 2017

**Part A: General Company Information**

As used in this disclosure statement, the terms "we", "us", "our," "UPZS" and the "Company" means, Unique Pizza & Subs Corporation, a Delaware corporation.

**Item 1. Name of the issuer and its predecessors (if any):**

Unique Pizza & Subs Corporation (formerly Coastal Services Group, Inc.)

**Item 2. Address of the issuer's principal executive offices:**

322 Mall Blvd #149  
Monroeville PA 15146  
UPZSCorp@gmail.com  
724-600-4720  
Fax: 412-281-4273  
Website: [www.uniquepizza.com](http://www.uniquepizza.com)

Investor Relations Contact info:

CapInc.net  
45670 Warwick Dr  
Macomb, MI 48044  
Website: capinc.net

**Item 3. Security information:**

Trading Symbol: UPZS

CUSIP: 90916J

Authorized shares of Common Stock: 300,000,000  
Common shares issued and outstanding: 194,699,478  
Shares in the public float: Approximately 152,295,756  
Number of shareholders: Approximately 2,254  
Number of "free-trading": 152,295,756

Authorized shares of Preferred Stock: 50,000,000  
Preferred shares issued and outstanding: 22,950,000  
Shares in the public float: 0  
Number of shareholders: 3

Transfer Agent

Pacific Stock Transfer  
4045 South Spencer Street  
Las Vegas, Nevada 89119  
Phone: (702) 361-3033

Is the Transfer Agent registered under the Exchange Act? \*Yes: X No:

\*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any restrictions on the transfer of security:

None

Describe any trading suspension orders issued by the SEC in the past 12 months.

None

**Item 4. Issuance History:**

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

- The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);

Services rendered.

- Any jurisdictions where the offering was registered or qualified;  
n/a

- The number of shares offered;  
n/a

- The number of shares sold;

None

- The price at which the shares were offered, and the amount actually paid to the issuer;

Services rendered.

- The trading status of the shares; and

Restricted.

- Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

N/A

With respect to private offerings of securities, the list shall also indicate the identity of the persons who purchased securities in such private offering; *provided, however*, that in the event that any such person is an entity, the list shall also indicate (a) the identity of each natural person beneficially owning, directly or indirectly, more than ten percent (10%) of any class of equity securities of such entity and (b) to the extent not otherwise disclosed, the identity of each natural person who controlled or directed, directly or indirectly, the purchase of such securities for such entity.

**Item 5. Financial statements:**

Please see the following page.

**Unique Pizza and Subs Corporation  
Unaudited Consolidated Financial Statements  
For the Year Ended December 31, 2016**

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**Unique Pizza and Subs Corporation  
Consolidated Balance Sheet  
December 31, 2016**

Assets		
Current Assets:		
Cash	\$ 31,081	
Accounts Receivable	1,725	
Deposits	179,000	
Inventory – Salsa, PopsyCakes and Pizza	<u>35,719</u>	

Total Current Assets	<u>247,525</u>	
Property and Equipment:		
Cooking and Kitchen Equipment	106,611	
Brew house Equipment	745,237	
Delivery Vehicles	50,100	
Computer and Office Equipment	<u>23,147</u>	
Total Property & Equipment	925,095	
Less: Accumulated Depreciation	<u>171,102</u>	
Net Property & Equipment	<u>753,993</u>	
Goodwill	<u>54,566</u>	
Total Assets	<u>\$ 1,056,084</u>	
Liabilities and Shareholders' Equity		
Current Liabilities:		
Accounts Payable	\$ 3,488	
Royalties Payable	403	
Shareholder Loan Payable	30,000	
Current Portion of Convertible Notes Payable	216,254	
Derivative Liability	45,000	
Note Payable to Ford Motor Credit for Vehicle	-0-	
Federal Income Taxes Payable	10,000	
Accrued Interest and Late Fees	<u>18,619</u>	
Total Current Liabilities	<u>323,764</u>	
Total Liabilities	<u>323,764</u>	
Shareholders' Equity:		
Preferred Stock, par value \$.0001 per share		
50,000,000 shares authorized at December 31, 2016		
22,000,000 shares outstanding at December 31, 2016,		
convertible one for twenty-five into common shares	2,200	
Common stock, par value \$.0001 per share		
300,000,000 shares authorized at December 31, 2016,		
194,699,478 shares issued and outstanding		
at December 31, 2016	19,470	
Common Stock to be Issued to Related Party	700	
Preferred Stock to be Issued to Related Party	200	
Additional Paid-in Capital	1,997,568	
Retained (Deficit)	<u>(1,287,818)</u>	
Total Shareholders' Equity	<u>732,320</u>	
Total Liabilities and Shareholders' Equity	<u>\$ 1,056,084</u>	

See Notes to Consolidated Financial Statements

**Unique Pizza and Subs Corporation**  
**Consolidated Statement of Operations**  
**For the Year Ended December 31, 2016**

Revenue:		
Franchise Fee Income	\$ -	
Sales	<u>686,994</u>	
Total Revenue	<u>686,994</u>	
Cost of Goods Sold	<u>(239,435)</u>	
Gross Profit	<u>447,559</u>	
Costs and Expenses:		
Consulting	29,306	
Consulting – Related Party	12,000	
Advertising	19,346	
Delivery and UPS	8,360	
Travel	10,190	
Rent	33,870	
Depreciation Expense	161,234	
Show Fees	66,282	
Auto	23,737	
Utilities	16,802	
Telephone	4,171	
Bank Fees	1,490	
Contract Labor and Commissions	66,723	
Food, Packaging and Cleaning Supplies	24,767	
Office and Kitchen Supplies	11,774	
Professional Fees	154,300	
Other Selling, General and Administrative Expenses	<u>90,578</u>	
Total Costs and Expenses	<u>(735,530)</u>	
(Loss) From Continuing Operations	(287,971)	
Interest Expense	8,481	
Income Taxes	-	
Net Loss	<u>(296,452)</u>	
Basic Loss per Common Share	<u>\$ *</u>	
Diluted Loss per Common Share	<u>\$ *</u>	

“\*” = less than \$.01

See Notes to Consolidated Financial Statements

<b>UNIQUE PIZZA AND SUBS CORPORATION</b>
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY

For the Year Ended December 31, 2016						
(Unaudited)						
					Additional	
	Common Stock		Preferred Stock		Paid-in	Retained
	Shares	Amount	Shares	Amount	Capital	Deficit
Balances, January 1, 2016	83,593,923	\$ 8,359		\$	\$	\$ (991,366)
Issued on acquisition of Popsy Cakes	2,000,000	200	22,000,000	2,200	1,724,162	
			-	-	-	-
Common stock issued for services	20,241,801	2,024	-	-	88,406	-
Conversion of debt into common	88,863,754	8,887	-	-	-	-
Contributed capital tap house Credo		-	-	-	185,000	-
Net loss for the nine months ended December 31, 2016		-	-	-	-	(296,452)
Balances, December 31, 2016	194,699,478	\$ 19,470	22,000,000	\$ 2,200	\$ 1,997,568	\$ (1,287,818)

See Notes to Consolidated Financial Statements

**Unique Pizza and Subs Corporation**  
**Consolidated Statement of Cash Flows**  
**For the Year Ended December 31, 2016**

Operating Activities:		
Net Loss	\$ (296,452)	
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	161,234	
Common shares issued for services received	90,430	
Services in exchange for notes	-0-	
(Increase) in inventory	(6,701)	
(Increase) in accounts receivable	(1,690)	
Decrease in accounts payable and accruals	(25,882)	
Net cash (used in) operating activities	<u>.....(79,061)</u>	
Financing Activities:		
Repayment on note payable to Ford Motor Credit for vehicle	(3,200)	
Advances on line of credit	<u>90,000</u>	
Net cash provided by financing activities	86,800	
Increase in Cash and Cash Equivalents	7,739	

Cash and Cash Equivalents at Beginning of Year	<u>23,342</u>	
Cash and Cash Equivalents at End of Year	<u>\$ 31,081</u>	

Non-Cash Investing Activities:

Purchase of property and equipment via Credo

Contributed capital contribution \$ 185,000

See Notes to Consolidated Financial Statements

**Unique Pizza and Subs Corporation**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2016**

Note 1 - Organization

Unique Pizza and Subs Corporation (the “Company”) formerly Coastal Services Group, Inc. a Delaware corporation was incorporated November 20, 2003. The Company’s mission is to be a leading national franchiser. The Company has a store conversion strategy which targets existing pizza shops as potential franchisees. The Company will provide all franchisees with a customer call center, state-of-the-art point-of-sale system, economies of scale buying power and other services to potentially increase the new store’s profit margins. The Company also has a variable interest entity relationship with a California based restaurant and has wholly owned subsidiaries with Jose Madrid Salsa and Popsy Cakes.

The Company was a party to a reverse merger on February 9, 2006. The reverse merger was between Unique Pizza and Subs Corporation (formerly known as Coastal Services Group, Inc.) and their wholly owned subsidiary Coastal Communications, Inc. As a result of the reverse merger, all existing assets of Coastal Communications, Inc. have been removed from the financial statements. In addition, all of the liabilities of Coastal Communications, Inc. were removed from the financial statements. As a result, the financial statements include the following: The balance sheet consists of the net remaining assets at historical cost after the reverse merger. The statement of operations includes only the income and expenses of Unique Pizza and Subs Corporation (formerly known as Coastal Services Group, Inc.) and none of the income and expenses of Coastal Communications, Inc. (the previously wholly owned subsidiary).

Note 2 – Summary of Significant Accounting Policies

Management’s Use of Estimates: The Company’s consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The preparation of these consolidated financial statements requires that the Company make estimates and judgments that affect the reported amounts of assets, liabilities, revenue and expenses and related disclosures. On an ongoing basis, the Company evaluates its estimates, including those related to revenue recognition, the fair value and useful lives of intangible assets, property and equipment, income taxes, and contingencies, among others. Actual results could differ from those estimates.

Revenue Recognition: One of the Company's business model is to sell franchise agreements to customers. The revenue from these sales are recorded when the agreement to purchase the franchise is executed by the customer.

The Company also derives revenues from the sale of its food products consisting of salsa, pizza, restaurant food and candied pretzels.

**Unique Pizza and Subs Corporation**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2016**

Note 2 – Summary of Significant Accounting Policies (Continued)

Revenue is recorded when all of the following have occurred: (1) persuasive evidence of an arrangement exists, (2) asset is transferred to the customer without further obligation, (3) the sales price to the customer is fixed or determinable, and (4) collectability is reasonably assured.

Cost of Sales: Cost of sales represents costs directly related to the production and third party manufacturing of the Company's products.

Products sold are typically sold directly to the customer at point of sale; costs associated with shipping and handling is shown as a component of cost of sales.

Basis of Presentation. The financial statements include the accounts of Unique Pizza and Subs Corporation and its wholly owned subsidiaries along with a variable interest entity in the California restaurant prepared in accordance with accounting principles generally accepted in the United States of America. The accrual basis is the basis of accounting used. All significant intercompany balances and transactions have been eliminated.

Risk and Uncertainties - The Company is subject to risks common to companies in the service industry, including, but not limited to, litigation, development of new technological innovations and dependence on key personnel.

Fair Value of Financial Assets and Financial Liabilities- The Company follows paragraph 825-10-50-10 of the FASB Accounting Standards Codification for disclosures about fair value of its financial instruments and paragraph 820-10-35-37 of the FASB Accounting Standards Codification ("Paragraph 820-10-35-37") to measure the fair value of its financial instruments. Paragraph 820-10-35-37 establishes a framework for measuring fair value in accounting principles generally accepted in the United States of America (U.S. GAAP), and expands disclosures about fair value measurements. To increase consistency and comparability in fair value measurements and related disclosures, Paragraph 820-10-35-37 establishes a fair value hierarchy which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. The three levels of fair value hierarchy defined by Paragraph 820-10-35-37 are described below:



**Unique Pizza and Subs Corporation**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2016**

Note 2 – Summary of Significant Accounting Policies (Continued)

Level 1	Quoted market prices available in active markets for identical assets or liabilities as of the reporting date.
Level 2	Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date.
Level 3	Pricing inputs that are generally observable inputs and not corroborated by market data.

The carrying amounts of the Company's consolidated financial assets and liabilities, such as cash, accounts receivable, inventory, goodwill, accounts payable, accrued interest, derivative liabilities, notes payable and customer deposits approximate their fair values because of the short maturity of these instruments. The Company's bank note payable approximates the fair value of such instrument based upon management's best estimate of interest rates that would be available to the Company for similar consolidated financial arrangement at December 31, 2016.

The Company does not have any assets or liabilities measured at fair value on a recurring or a non-recurring basis, consequently, the Company did not have any fair value adjustments for assets and liabilities measured at fair value at December 31, 2016, nor gains or losses are reported in the statement of operations that are attributable to the change in unrealized gains or losses relating to those assets and liabilities still held at the reporting date for the year ended December 31, 2016.

Cash and Cash Equivalents - For purposes of the Consolidated Statements of Cash Flows, the Company considers highly liquid investments with an original maturity of three months or less to be cash equivalents.

Impairment of Long-Lived Assets: The Company evaluates the recoverability of its fixed assets and other assets in accordance with section 360-10-15 of the FASB Accounting Standards Codification for disclosures about Impairment or Disposal of Long-Lived Assets. Disclosure requires recognition of impairment of long-lived assets in the event the net book value of such assets exceeds its expected cash flows. If so, it is considered to be impaired and is written down to fair value, which is determined based on either discounted future cash flows or appraised values. The Company adopted the statement on inception. No impairments of these types of assets were recognized during the year ended December 31, 2016.

**Unique Pizza and Subs Corporation**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2016**

## Note 2 – Summary of Significant Accounting Policies (Continued)

**Income Taxes:** The Company accounts for income taxes under Section 740-10-30 of the FASB Accounting Standards Codification. Deferred income tax assets and liabilities are determined based upon differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance to the extent management concludes it is more likely than not that the assets will not be realized. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the statements of operations in the period that includes the enactment date.

**Fixed Assets:** The Company's property and equipment consisting of building improvements, restaurant and office equipment, software, and furniture are stated at cost and depreciated over their estimated useful lives ranging from 5-7 years of the respective assets. Depreciation is computed using the straight line method. Book depreciation for the year ended December 31, 2016 is \$161,234. Expenditures for maintenance and repairs are charged to expense as incurred.

Property and equipment is reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Upon sale or retirement of property and equipment, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in the statements of operations.

**Advertising Costs -** Advertising costs are expensed as incurred. The Company does not incur any direct-response advertising costs.

Income (Loss) Per Share - Net income (loss) per common share is computed pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic net income (loss) per share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding during the period. Diluted net income (loss) per share is computed by dividing net loss by the weighted average number of shares of common stock and potentially outstanding shares of common stock during each period. There were no potentially dilutive shares outstanding as of December 31, 2016.

**Inventory -** Inventory, consisting of finished food products purchased, is located on our premises and is stated at the lower of cost or market using the first in first out method.

The Company periodically reviews historical sales activity to determine potentially obsolete items and also evaluates the impact of any anticipated changes in future demand.

**Unique Pizza and Subs Corporation  
Notes to Consolidated Financial Statements  
For the Year Ended December 31, 2016**

## Note 2 – Summary of Significant Accounting Policies (Continued)

Share-Based Payments - The Company acquires nonmonetary assets including goods for its common stock. The goods are recorded at the fair value of the nonmonetary asset exchanged or at an independent quoted market price for items exchanged.

The Company accounts for stock-based compensation using the fair value method following the guidance set forth in section 718-10 of the FASB Accounting Standards Codification for disclosure about Stock-Based Compensation. This section requires a public entity to measure the cost of employee services received in exchange for an award of equity instruments based on the grant-date fair value of the award (with limited exceptions). That cost will be recognized over the period during which an employee is required to provide service in exchange for the award- the requisite service period (usually the vesting period). No compensation cost is recognized for equity instruments for which employees do not render the requisite service.

Comprehensive Income (Loss) - The Company reports comprehensive income and its components following guidance set forth by section 220-10 of the FASB Accounting Standards Codification which establishes standards for the reporting and display of comprehensive income and its components in the consolidated financial statements. There were no items of comprehensive income (loss) applicable to the Company during the period covered in the consolidated financial statements.

Accounts Receivable and Allowance for Doubtful Accounts – We grant credit to customers based on an evaluation of their financial condition but most of our sales are immediately collected in cash at the point of sale. The estimate of the allowance for doubtful accounts, which is charged off to bad debt expense, is based on management’s assessment of current economic conditions and historical collections experience.

At December 31, 2016, the Company did not have an allowance for doubtful accounts.

For the year ended December 31, 2016, the Company had \$-0- in bad debt expense.

Related Parties: The Company follows subtopic 850-10 of the FASB Accounting Standards Codification for the identification of related parties and disclosure of related party transactions.

**Unique Pizza and Subs Corporation**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2016**

Note 2 – Summary of Significant Accounting Policies (Continued)

Pursuant to Section 850-10-20 the related parties include a. affiliates of the Company; b. Entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825–10–15, to be accounted for by the equity method by the investing entity; c. trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; d. principal owners of the Company; e. management of the

Company; f. other parties with which the Company may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and g. Other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The consolidated financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of consolidated or combined financial statements is not required in those statements. The disclosures shall include: a. the nature of the relationship(s) involved; b. a description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements; c. the dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period; and d. amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.

Contingencies: The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Certain conditions may exist as of the date the consolidated financial statements are issued, which may result in a loss to the Company but which will only be resolved when one or more future events occur or fail to occur. The Company assesses such contingent liabilities, and such assessment inherently involves an exercise of judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought therein.

**Unique Pizza and Subs Corporation**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2016**

Note 2 – Summary of Significant Accounting Policies (Continued)

Contingencies (Cont.): If the assessment of a contingency indicates that it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates that a potentially material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, and an estimate of the range of possible losses, if determinable and material, would be disclosed.

Loss contingencies considered remote are generally not disclosed unless they involve guarantees, in which case the guarantees would be disclosed. However, there is no assurance

that such matters will not materially and adversely affect the Company's business, consolidated financial position, and consolidated results of operations or consolidated cash flows.

Recent Accounting Pronouncements - The Company has reviewed all recently issued, but not yet effective, accounting pronouncements and do not believe the future adoption of any such pronouncements may be expected to cause a material impact on its consolidated financial condition or the results of its operations.

### ***FASB Accounting Standards Codification***

In April 2015, the FASB issued Accounting Standards Update No. 2015-03, *Interest—Imputation of Interest (Topic 835-30): Simplifying the Presentation of Debt Issuance Costs* ("ASU 2015-03"). ASU 2015-03 requires that debt issuance costs related to a recognized debt liability be presented in the balance sheet as a direct deduction from the carrying amount of that debt liability, consistent with debt discounts. The recognition and measurement guidance for debt issuance costs is not affected by ASU 2015-03. ASU 2015-03 is effective for financial statements issued for fiscal years beginning after December 15, 2015, and interim periods within those fiscal years. Early adoption is permitted. Upon adoption, the Company will reclassify debt issuance costs from prepaid expenses and other current assets and other assets as a reduction to debt in the condensed consolidated balance sheets. The Company is not planning to early adopt ASU 2015-03 and does not anticipate that the adoption of ASU 2015-03 will materially impact its consolidated financial statements.

## **Unique Pizza and Subs Corporation Notes to Consolidated Financial Statements For the Year Ended December 31, 2016**

### **Note 2 – Summary of Significant Accounting Policies (Continued)**

In July 2015, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2015-11, *Inventory (Topic 330): Simplifying the Measurement of Inventory* ("ASU 2015-11"), which applies guidance on the subsequent measurement of inventory. ASU 2015-11 states that an entity should measure inventory at the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less reasonable predictable costs of completion, disposal and transportation. The guidance excludes inventory measured using last-in, first-out or the retail inventory method. ASU 2015-11 is effective for interim and annual reporting periods beginning after December 15, 2016. Early adoption is permitted. The Company is not planning to early adopt ASU 2015-11 and is currently evaluating ASU 2015-11 to determine the potential impact to its consolidated financial statements and related disclosures.

### **Stock Compensation**

In March 2016, the FASB issued ASU 2016-09, *Stock Compensation*, which is intended to simplify the accounting for share-based payment award transactions. The new standard will modify several aspects of the accounting and reporting for employee share-based payments and related tax accounting impacts, including the presentation in the statements of operations and cash flows of certain tax benefits or deficiencies and employee tax withholdings, as well as the accounting for award forfeitures over the vesting period. The guidance is effective for

fiscal years beginning after December 15, 2016, including interim periods within that year, and will be adopted by the Company in the first quarter of fiscal 2017. The Company anticipates the new standard will not result in an increase in the number of shares used in the calculation of diluted earnings per share and will not add volatility to the Company's effective tax rate and income tax expense due to its net operating loss carryforward. The magnitude of such impacts will depend in part on whether significant employee stock option exercises occur.

### ***Subsequent Events***

*(Included in Accounting Standards Codification ("ASC") 855 "Subsequent Events", previously SFAS No. 165 "Subsequent Events")*

SFAS No. 165 established general standards of accounting for and disclosure of events that occur after the balance sheet date, but before the consolidated financial statements are issued or available to be issued ("subsequent events"). An entity is required to disclose the date through which subsequent events have been evaluated and the basis for that date. For public entities, this is the date the consolidated financial statements are issued. SFAS No. 165 does not apply to subsequent events or transactions that are within the scope of other GAAP and did not result in significant changes in the subsequent events reported by the Company. SFAS No. 165 became effective for interim or annual periods ending after September 15, 2009 and did not impact the Company's consolidated financial statements. The Company evaluated for subsequent events through the issuance date of the Company's consolidated financial statements. No recognized or non-recognized subsequent events were noted.

## **Unique Pizza and Subs Corporation Notes to Consolidated Financial Statements For the Year Ended December 31, 2016**

### **Note 3 – Shareholders' Equity**

As of February 19, 2006, pursuant to a unanimous consent of the sole director, the articles of incorporation were approved to be amended to increase the number of authorized shares from 700,000,000 to 4,000,000,000. Then, in May of 2010, pursuant to a unanimous consent of the board of directors, the articles of incorporation were amended to reduce the authorized common shares to 300,000,000.

At December 31, 2016, there were 22,000,000 shares of preferred stock issued and outstanding to the Company's officer, director and majority shareholder. These are convertible into shares of common stock at a rate of one preferred share into twenty-five common shares. Therefore, there are potentially 550,000,000 additional shares of common stock that could be issued in the future upon conversion from preferred shares by this person. The Company affected a one for two hundred and fifty reverse stock split on March 6, 2014. The consolidated financial statements herein have been retroactively restated in compliance with US SEC staff accounting bulletin topic 4.C. The effects of these shares are non-dilutive at December 31, 2016 due to the net loss recorded.

### **Note 4 – Convertible Notes Payable**

The Company had an unsecured note payable to an unrelated third party but this was paid in full during the second quarter of 2016 leaving a balance due at December 31, 2016 of \$-0- on the original principal amount of \$325,000. The note had an imputed interest rate of 6% per annum, the effects of which are included in the consolidated financial statements in the

amount of \$5,010 including \$5,000 in late fees. The note had a conversion feature into common shares feature at \$.005 per share. The promissory note never converted into more than ten percent of the Company's shares pursuant to an agreement between the parties. The promissory note was not a derivative liability under EITF 00-19 due to its fixed floor conversion.

The Company has an unsecured convertible note payable to an unrelated third party at December 31, 2016 of \$144,100 representing cash advances made to the Company in the amounts of \$20,000 and \$25,000 in late 2014 and \$99,100 in 2015 and 2016. The entire promissory note has a line of credit in the amount of \$250,000 for the Company to draw upon. The interest rate is 10% per annum. The note is currently payable on demand, and has a conversion feature into common shares at \$.015 per share or 50% of the average closing bid price of the last five trading days upon receiving a conversion notice, whichever is lower. The promissory note will not convert into more than ten percent of the Company's shares pursuant to an agreement between the parties. The promissory note is a derivative liability under EITF 00-19 due to its variable floor conversion option.

**Unique Pizza and Subs Corporation**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2016**

Note 4 – Convertible Notes Payable (Cont.)

ASC Topic 815 ("ASC 815") requires that all derivative financial instruments be recorded on the balance sheet at fair value. Fair values for exchange traded securities and derivatives are based on quoted market prices. Where market prices are not readily available, fair values are determined using market based pricing models incorporating readily observable market data and requiring judgment and estimates.

The Company issued a convertible note as per above and has evaluated the terms and conditions of the conversion features contained in the notes and warrants to determine whether they represent embedded or freestanding derivative instruments under the provisions of ASC 815. The Company determined that the conversion features contained in the notes and warrants represent freestanding derivative instruments that meet the requirements for liability classification under ASC 815. As a result, the fair value of the derivative financial instruments in the notes and warrants is reflected in the Company's balance sheet as a liability. The fair value of the derivative financial instruments of the convertible notes and warrants was measured at the inception date of the notes and warrants and each subsequent balance sheet date. Any changes in the fair value of the derivative financial instruments are recorded as non-operating, non-cash income or expense at each balance sheet date.

The Company valued the conversion features in its convertible notes using the Black-Scholes model. The Black-Scholes model values the embedded derivatives based on a risk-free rate of return ranging from 0.02% to 0.02%, grant dates at the beginning of the year, the term of convertible note, conversion prices is lesser of 1) \$.015, or 2) 50% of stock bid price at date of note issuance, current stock prices on the measurement date ranging from \$0.005 to \$0.011, and the computed measure of the Company's stock volatility, ranging from 221.61% to 359.23%.

Included in the December 31, 2016 consolidated financial statements is a derivative liability in the amount of \$45,000 to account for this transaction. There were no balances in prior periods since this liability arose in late 2014. It will be revalued quarterly henceforth and adjusted as a gain or loss to the statements of operations depending on its value at that time.

**Unique Pizza and Subs Corporation**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2016**

Note 4 – Convertible Notes Payable (Cont.)

Included in the Consolidated Statement of Operations for the previous year end consolidated financial statements was a \$45,000 in change of fair value of derivative and \$45,000 of debt discount amortization in non-cash charges pertaining to the derivative liability as it pertains to the gain on derivative liability and debt discount, respectively.

The Company has an unsecured note payable to an unrelated third party at December 31, 2016 in the principal amount of \$52,000 remaining on an original principal amount of \$60,000. The note has an interest rate of 6% per annum. \$10,873 and \$5,000 of accrued interest payable and late fees payable on this loan are included in the accompanying consolidated balance sheet. The note is currently payable on demand, and has a conversion into common shares feature. The promissory note will not convert into more than ten percent of the Company's shares pursuant to an agreement between the parties. The promissory note is not a derivative liability under EITF 00-19 due to its fixed floor conversion.

The Company has an unsecured note payable to an unrelated third party at December 31, 2016 in the principal amount of \$10,008. The note has an interest rate of 0% per annum. The note is currently payable on demand, and has a conversion into common shares feature at a fixed price of current market value. The effects of imputed interest are immaterial to the consolidated financial statements taken as a whole. The promissory note is not a derivative liability under EITF 00-19 due to its fixed floor conversion.

The Company has two additional unsecured notes payable to an unrelated third party at December 31, 2016 each in the principal amounts of \$60,000. The notes have an interest rate of 6% per annum. \$1,160 of accrued interest payable on each loan is included in the accompanying consolidated balance sheet. The notes are payable under one year maturities, and has a conversion into common shares feature. The promissory note will not convert into more than ten percent of the Company's shares pursuant to an agreement between the parties. The promissory note is not a derivative liability under EITF 00-19 due to its fixed floor conversion.

Note 5 – Income (Loss) Per Share

Income (loss) per share is computed by dividing the net income (loss) by the weighted average number of common shares outstanding during the period. Basic and diluted loss per share was the same for the year ended December 31, 2016.



**Unique Pizza and Subs Corporation**  
**Notes to Consolidated Financial Statements**  
**For the Year Ended December 31, 2016**

Note 6 – Supplemental Cash Flow Information

Supplemental disclosures of cash flow information for the years ended December 31, 2016 and 2015 are summarized as follows:

Cash paid during the periods for interest and income taxes:

	2016	2015
Income Taxes	\$ --	\$ --
Interest	\$ --	\$ --

Note 7 – Going Concern and Uncertainty

The Company has suffered recurring losses from operations since inception. In addition, the Company has yet to generate an internal cash flow from its business operations. These factors raise substantial doubt as to the ability of the Company to continue as a going concern.

Management's plans with regard to these matters encompass the following actions: 1) obtain funding from new investors to alleviate the Company's liquid working deficiency, and 2) implement a plan to generate sales. The Company's continued existence is dependent upon its ability to resolve its liquidity problems and increase profitability in its current business operations. However, the outcome of management's plans cannot be ascertained with any degree of certainty. The accompanying consolidated financial statements do not include any adjustments that might result from the outcome of these risks and uncertainties.

Note 8 – Goodwill

On August 15, 2015, the Company acquired 100% of the capital stock of Jose Madrid Sales Corporation, an Ohio corporation, in exchange for the issuance of 950,000 shares of the Company's preferred stock. The fair value of this stock issuance was determined using the fair value of the Company's common stock on the closing date, at a market quoted price of \$.008. Accordingly, the Company recognized goodwill of \$53,011 as follows:

Fair value of the consideration transferred	\$ 190,000
Net of identifiable assets acquired and liabilities assumed	<u>(136,989)</u>
Goodwill	\$ 53,011

## Notes to Consolidated Financial Statements For the Year Ended December 31, 2016

### Note 8 – Goodwill (Cont.)

The Company subsequently tested the goodwill for impairment and assessed the goodwill was not impaired since there was significant operating revenue and profits generated from Jose Madrid Salsa during the subsequent period thereto.

On December 31, 2015, the Company acquired 100% of the capital stock of PopsyCakes Distributing, LLC, a Florida corporation, in exchange for the issuance of 2,000,000 shares of the Company's common stock. The fair value of this stock issuance was determined using the fair value of the Company's common stock on the closing date, at a market quoted price of \$.0031. Accordingly, the Company recognized goodwill of \$1,555 as follows:

Fair value of the consideration transferred	\$ 6,200
Net of identifiable assets acquired and liabilities assumed	<u>(4,645)</u>
Goodwill	\$1,555

The Company subsequently tested the goodwill for impairment and assessed the goodwill was not impaired since there was significant operating revenue and profits generated from Popsy Cakes during the subsequent period thereto.

### Note 9 – Subsequent Events

Subsequent to year end, the Company signed an additional unsecured note payable, in exchange for 2017 professional services to be performed by an unrelated third party, in the principal amount of \$60,000. The note has an interest rate of 6% per annum. The note is payable under a one year maturity, and has a conversion into common shares feature. The promissory note will not convert into more than ten percent of the Company's shares pursuant to an agreement between the parties. The promissory note is not a derivative liability under EITF 00-19 due to its fixed floor conversion.

Subsequent to year end, the Company amended the remaining balance on its credit line note payable to an unrelated company to a fixed conversion price of \$.0007.

### Plan of Operation

Through the years of learning and increasing experience, some of the Key Elements and Principles of the Business Model and Associated Plan include the following:

- Become one of the '**Top Ten**' pizza Franchises headYeaed in the US
  - ..... This would require > 1,000 stores
- **Revenue** sources to include:
  - ..... Franchise Fees
  - ..... 8% of Franchisee Revenue (major franchise's charge between 11 & 14%)

- 1) 5% for Corporate
  - 2) 3% for Advertising and Customer Support Center
- ..... Vendor/Supplier Rebates
- ..... Stock Sales
- ..... Three **Growth** propositions (both Franchised and Company owned)
  - 1) '*Organic*' – new store openings
  - 2) *Conversions* – existing independent stores
  - 3) *Acquisitions* -- both pizza/sub businesses as well as 'complimentary businesses' that could also become independent profit centers
- ..... '**Brick and Mortar**' (buildings/structures) would **NOT** be important, but emphasis would be on product, building color scheme and 'look and feel,' Unique Pizza and Subs® signage, employee attire, etc.
- ..... Store service option **Flexibility**, such as they can provide: (a) pick-up and delivery only, (b) sit-down and (a), (c) inclusion of wine, beer and/or liquor license
- ..... Make a low '**Cost of Entry**' (franchise fee) and overall ongoing Affordability
  - ..... Initial Franchise Fee established at \$20K
  - ..... Provide financing opportunities
  - ..... Weekly fees tied to store revenues @ average of 5% below competitors
  - ..... Individual (vs. quantity) pricing available for consumables such as shirts, hats, menu's business cards, gifts, etc.
  - ..... Shared advertising fees
- ..... Minimize Employee **Theft** of money and/or product through the use of Automation
  - ..... Common Point of Sale system for all stores
  - ..... Centralized toll free Call Center for ALL stores
  - ..... Professional Customer Response Representatives for Order Accuracy
  - ..... Product and Ingredient Consumption activities/histories matched to revenue
  - ..... Accurate revenue and product Usage Tracking
- ..... Improve store **Profits**
  - ..... Up-selling to improve average 'order/ticket' price
  - ..... Marketing
  - ..... Headcount Reduction
  - ..... Order Accuracy
  - ..... Volume-based Pricing and vendor Discounts
  - ..... Product Profitability Analysis
- ..... A **Customer Loyalty Program** is required to reward great consumers and to stimulate those who may need incentives or had a less than satisfactory experience
- ..... Minimize call **Order Time** without compromising **Order Accuracy**
  - ..... Utilize Automated Call Directory (ACD) software tools
  - ..... Corporate Enterprise system

➤.....Customer Data-base accuracy

●..... Product **Consistency** expected of major franchises, regardless of cook's expertise

➤..... Thorough Documentation

➤..... Timeless Training (HeadYears, Web-based and On-site)

## Results of Operations

### RESULTS OF OPERATIONS – Year Ended December 31, 2016

#### Revenues

UPZS revenue for the year ended December 31, 2016, was \$218,759.

#### Operating Expenses

We had operating expenses of \$51,950 for the Year ended December 31, 2016. Our operating expenses include depreciation expense of \$2,493, and other selling, general and administrative expenses in the amount of \$33,027 in traveling and entertainment.

#### Other Expenses

We had no other expenses for the year ended December 31, 2016.

#### Liquidity and Capital Resources

We had \$31,081 in cash at December 31, 2016.

Net cash flows used in operating activities were \$218,759 for the 12 months ended December 31, 2016. This is attributable to a net profit of \$242,390 for the Year Ended December 31, 2016 less depreciation expense of \$1,993 for the 12 months ended December 31, 2016.

There were no cash flows from investing activities for the 12 months ended December 31, 2016.

Cash flows from financing activities were \$214,169 received from investors during the 12 months ended December 31, 2016.

## **Item 7. Describe the Issuer's Facilities:**

322 Mall Blvd #149  
Monroeville PA 15146  
UPZSCorp@gmail.com  
724-600-4720  
Fax: 412-281-4273  
Website: [www.uniquepizza.com](http://www.uniquepizza.com)

**Item 8. Officers, Directors and Control Persons:**

**•Names of Officers, Directors and Control Persons:**

James C. Vowler, Founder, President and CEO

William L. Vowler, GM and Vice President

Bala Indurti, COO

Michael Zakany Founder of JMS

Dr. M. S. Reddy Senior Advisor

Marc Falcone President of PopsyCakes

**• Legal/Disciplinary History:**

There are no current, past, pending and/or threatened legal proceedings and/or administrative actions either by or against the issuer that could have a material effect on the issuer's business, financial condition, or operations.

**• Beneficial Shareholders:**

No greater than 10% shareholders other than: James Vowler owns 23 million common and 20 million preferred shares. Dr. M.S. Reddy owns 7 million common and 2 million preferred shares.

**Item 9. Third Party Providers:**

Legal Counsel

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304 Ross St.  
Pittsburgh, PA 15219  
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John Hanzel.  
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United States

Accountant or Auditor  
Name: Tracy Lok, CPA  
Firm: L & L CPA's  
Address 1: 7951 S.W. 6<sup>th</sup> Street  
Address 2: Suite 216  
Phone: (954) 424-2345

Investor Relations Consultant  
CapInc.net  
45670 Warwick Dr  
Macomb, MI 48044  
Website: capinc.net

Other Advisor:

None

**Item 10. Issuer Certification:**

I, James C. Vowler, certify that:

- I have reviewed this Yearly Report for Unique Pizza & Subs Corp. for the Year Ended December 31, 2016;
- Based on my knowledge, this Annual Report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statement made, in light of the circumstances under which such statement were made, not misleading with respect to the period covered by this year-end report; and
- 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 period presented in this Annual Report.

March 27, 2017

/s/ James C. Vowler

James C. Vowler  
President & CEO