

Vapor Group, Inc.

Quarterly Report

For the 9 Months ending September 30, 2017

(Filed November 17, 2017)

1) Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

Vapor Group, Inc. from April 29, 2014 to the present.

AvWorks Aviation Corp. from November 30, 2011 to April 29, 2014.

2) Address of the issuer's principal executive offices

Company Headquarters

Address 1: 20200 Dixie Highway, Suite 906

Address 2: Miami, Florida 33180

Phone: 954-883-9525

Email: info@vaporgroup.com

Website(s): www.vaporgroup.com

IR Contact: None

Address 1: None

Address 2:

Address 3:

Phone: None

Email: None

Website(s): None

3) Security Information

Trading Symbol: VPOR

Exact title and class of securities outstanding: Common stock

CUSIP: 922101100

Par or Stated Value: \$.001 per share

Total shares authorized: 8,000,000,000 as of: 9/30/17

Total shares outstanding: 5,073,788,021 as of: 9/30/17

Additional class of securities:

Trading Symbol: None

Exact title and class of securities outstanding: Preferred stock, Series A and B

CUSIP: None

Par or Stated Value: \$.001

Total shares authorized: 15,000,000 as of: 9/30/17

Total shares outstanding: 2,516,250 as of: 9/30/17

Transfer Agent

Name: ClearTrust, LLC

Address 1: 16540 Pointe Village Dr., Suite 210

Address 2: Lutz, Florida 33558

Phone: (813) 235-4490

Is the Transfer Agent registered under the Exchange Act?* Yes: ☒ 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

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

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 equity 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, 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:

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

None

B. Any jurisdictions where the offering was registered or qualified;

Non-applicable

C. The number of shares offered;

Non-applicable

D. The number of shares sold;

Non-applicable

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

Non-applicable

F. The trading status of the shares; and

Non-applicable

G. 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.

From September 30, 2015 through the period ending September 30, 2017, the following events, which do not constitute an offering, have resulted in changes in total shares of common and preferred stock outstanding:

Common Stock Issuances

<u>Shareholder</u>	<u>Shares Issued</u>	<u>Issuance Date</u>	<u>Consideration</u>	<u>Restricted</u>
Black Mountain Equities	82,000,000	3/6/17	Warrant Exercise	No
Cardinal Capital	71,500,000	3/20/17	Debt Conversion	No
Auctus Private Equity Fund	30,926,980	3/22/17	Debt Conversion	No
Private Investment Firm	370,000,000	4/19/17	Debt Conversion	No
Private Investment Firm	480,825,000	4/24/17	Debt Conversion	No

Preferred Stock Issuances*

Dror Svorai	262,250	10/18/2016	Terms of Merger	Yes
Yaniv Nahon	87,500	10/18/2016	Terms of Merger	Yes
Shalom Ohayon	396,500	10/18/2016	Terms of Merger	Yes
Arik Cohen	140,000	10/18/2016	Terms of Merger	Yes
Avi Simhon	140,000	10/18/2016	Terms of Merger	Yes
Asaf Cohen	140,000	10/18/2016	Terms of Merger	Yes

*All preferred stock issued on 10/18/2016, totaling 1,166,250 shares, was restricted Series B Preferred Stock and was issued to the above sole shareholders of NewGen Concepts, Inc., a privately-held company, per the terms and conditions of the Merger Agreement of even date by and between the Issuer and NewGen Concepts, Inc. As a result of the merger, the surviving corporation is the Issuer.

5) Financial Statements

Provide the financial statements described below for the most recent fiscal year end or quarter end to maintain qualification for the OTC Pink Current Information tier. For the initial disclosure statement (qualifying for Current Information for the first time) please provide reports for the two previous fiscal years and any interim periods.

- A. Balance sheet;
- B. Statement of income;
- C. Statement of cash flows;
- D. Financial notes; and
- E. Audit letter, if audited

The financial statements requested pursuant to this item shall be prepared in accordance with US GAAP by persons with sufficient financial skills.

You may either (i) attach/append the financial statements to this disclosure statement or (ii) post such financial statements through the OTC Disclosure & News Service as a separate report using the appropriate report name for the applicable period end. ("Annual Report," "Quarterly Report" or "Interim Report").

If you choose to publish the financial reports separately as described in part (ii) above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to otcq.com in the field below.

The most recent information for the Issuer's applicable period ending September 30, 2017, is available on OTCMarkets.com as an "Quarterly Report" and is hereby incorporated herein by reference.

The Issuer voluntarily filed Form 15 with the SEC on July 5, 2016 in order to cease reporting obligations under Rule 12g-4(a)(2) of the Securities Exchange Act of 1934.

6) Describe the Issuer's Business, Products and Services

Describe the issuer's business so a potential investor can clearly understand the company. In answering this item, please include the following:

A. a description of the issuer's business operations;

Vapor Group is focused on the acquisition and development of commercially viable intellectual property and proprietary products.

In December 2016, its subsidiary, Total Vapor Inc., became the exclusive worldwide distributor and marketer for the electronically controlled, battery operated herbal grinder, known as "Easy Grinder™", under an agreement with EZ Grinder, Inc., a privately-held company which is the owner of the product design and trademark for Easy Grinder™.

All products of the Issuer are sold through distributors or directly to consumers through Company-owned websites.

On October 18, 2016, the Company underwent a reverse merger wherein it was the surviving entity, with NewGen Concepts, Inc., a privately-held Florida corporation, and the holder of U.S. and foreign patent or patent pending rights in several countries to a unique wine bottle closure/opener device referred to as "Simple Cork", which the Company is further developing with plans to go-to-market by the end of 2017. The intellectual property pertaining to "Simple Cork" was transferred by the Company into a new, wholly-owned subsidiary, "Simple Cork, Inc.", on November 8, 2016.

As a result of the merger, the Company, while continuing to support its historic product lines, refocused its business on (i) the further development of "Simple Cork" as a commercial product, and (ii) the acquisition, development and capitalization over time of a portfolio of other commercially viable intellectual property. The Company's strategic intent became to acquire, develop, market, license and sell globally, a portfolio of proprietary products and services protected under U.S. and international patent and trademark law, while continuing to support its aforementioned historical product lines.

Although under the terms of the Merger Agreement the Company had agreed post merger to change its name to "NewGen Concepts, Inc.", and did so only at the State-level at the filing of the merger, it used this name primarily only as a trade style in marketing. On March 27, 2017, the Company refiled in the State of Florida to change its name back to Vapor Group, Inc. and henceforth has discontinued the use of the name and trade style "NewGen Concepts". On March 31, 2017, the State of Florida formally acknowledged its return to the name, Vapor Group, Inc.

B. Date and State (or Jurisdiction) of Incorporation:

The Issuer was originally incorporated on January 15, 1990 as "Creemore Star Printing, Inc." under the laws of Canada. On June 15, 2003 it changed its name to "Smitten Press: Local Lore and Legends, Inc." On May 8, 2007 it re-domesticated to Nevada as "Smitten Press: Local Lore and Legends, Inc." On April 30, 2010, it changed its name to DataMill Media Corp., effective at the close of business on June 30, 2010.

On September 2, 2011, the issuer entered into a Share Exchange Agreement with Young Aviation, LLC. On November 10, 2011, it changed its name to AvWorks Aviation Corp., effective November 30, 2011, and subsequently on April 29, 2014 changed its name to Vapor Group, Inc.

C. the issuer's primary and secondary SIC Codes;

2100 - Tobacco Products
3999 – Manufacturing Industries, Not Elsewhere Classified
5199 – Wholesale of Nondurable Goods, Not Elsewhere Classified
5963 – Direct Retail Sales

D. the issuer's fiscal year end date;

December 31

E. principal products or services, and their markets;

Vapor Group is focused on the acquisition and development of commercially viable intellectual property and proprietary products.

In December 2016, its subsidiary, Total Vapor Inc., became the exclusive worldwide distributor and marketer for the electronically controlled, battery operated herbal grinder, known as "Easy Grinder™", under an agreement with EZ Grinder, Inc., a privately-held company which is the owner of the product design and trademark for Easy Grinder™.

All products of the Issuer are sold through distributors or directly to consumers through Company-owned websites.

On October 18, 2016, the Issuer entered into a reverse merger with NewGen Concepts, Inc., the holder of U.S. and foreign patent or patent pending rights in the U.S. and several countries for a unique wine bottle closure/opener device referred to as "Simple Cork". As a result of the merger, the Company, while continuing to support its other product lines, refocused its business on (i) the further development of "Simple Cork" as a commercial product, and (ii) the acquisition, development and capitalization over time of a portfolio of additional commercially viable intellectual property. Following the merger, on November 8, 2016, all intellectual property pertaining to "Simple Cork" was transferred by the Issuer into a new, wholly-owned subsidiary, "Simple Cork, Inc." incorporated by the Issuer in the State of Florida. In the first half of 2018, Simple Cork, Inc., plans to go-to-market nationally and internationally with the Simple Cork product.

On July 14, 2017, the Issuer was granted its first patent for "Simple Cork" by the French government.

All Company products are made for it by third-party manufacturers under specific manufacturing agreements.

7) Describe the Issuer's Facilities

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The Issuer leases approximately 2,000 square feet of newly constructed commercial office space at 20200 Dixie Highway, Suite 906, Miami, Florida 33180. The condition of the property is excellent. The terms of the lease are for three years. In addition the Issuer leases several thousand square feet of warehouse space for its warehousing and fulfillment operations in Hialeah, Florida. (The issuer does not own in whole or part any real estate property.)

8) Officers, Directors, and Control Persons (As of Filing Date: August 14, 2017)

The goal of this section 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 shareholders.

A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial

owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

Member of the Board of Directors:

1. Yaniv Nahon (Chairman of the Board)
2. Jorge Schcolnik

Officers of Vapor Group, Inc.:

1. Yaniv Nahon, President and CEO, Treasurer
2. Jorge Schcolnik, Vice President, CFO, Secretary

Control Persons and Beneficial Owners of more than five percent (5%) of any class of the Issuer's equity:

1. SF Holdings LLC. As a result of holding 100% of the Issuer's Series A Preferred Stock, SF Holdings LLC is the sole controller person of the Issuer with 56.17% of the total votes that may be cast by the shareholders in any vote for any purpose based on the total quantity of votes that may be cast per the current quantity of issued and outstanding shares of all classes of stock, (See Section "C. Beneficial Shareholders." that follows.) SF Holdings LLC acquired the Series A Preferred Stock in a private transaction wherein it purchased said shares from Dror Svorai, former President & CEO of the Issuer, on July 20, 2017, with whom it is not affiliated, concomitant with his resignation as a officer and director of the Issuer and each of its subsidiaries.

2. Dror Svorai. Dror Svorai, former President & CEO, owns beneficially 34.61% of the Issuer's Series B Preferred Stock. Since the entire class of Series B Preferred Stock represents in total 15.33% of the total votes that may be cast by the shareholders in any vote for any purpose based on the total quantity of votes that may be cast per the current quantity of issued and outstanding shares of all classes of stock, the 34.61% of the Issuer's Series B Preferred Stock held by Dror Svorai, only represents 5.31% of the total votes that may be cast by the shareholders based on the current quantity of issued and outstanding shares of all classes of stock. On July 20, 2017, Dror Svorai resigned as an officer and director of the Issuer or any of its subsidiaries, and sold 100% of his Series A Preferred Stock to SF Holdings LLC, a company with which he has no affiliation. (See Section "C. Beneficial Shareholders." that follows.)

3. Shalom Ohayon. Shalom Ohayon owns beneficially 26.15% of the Issuer's Series B Preferred Stock. He is not an officer or director of the Issuer or any of its subsidiaries. (See Section "C. Beneficial Shareholders." that follows.)

Backgrounds of Officers and Directors:

Yaniv Nahon, President, Chief Executive Officer, Treasurer and Member of the Board of Directors. Mr. Nahon established the first e-cigarette retail business in Southwest Florida in 2008. Since 2008, he has remained focused on the development and marketing of e-cigarettes at both the wholesale and retail levels, owning an operating his own retail businesses. In 2012 he joined Vapor Group as Vice President and Chief Operating Officer having overall responsibility for product development, quality control and the supply chain. He was appointed President & CEO on July 20, 2017.

Jorge Schcolnik. Vice President, Secretary, Chief Financial Officer, and Member of the Board of Directors. During the past five years, Mr. Schcolnik has been involved in several large international companies. Mr. Schcolnik was one of the founders of Integral Bioenergies Systems SL, a company located in Spain, where he was involved in its restructure and ultimate sale in 2008. Mr. Schcolnik was associated with E-Libro Corp. for which he deployed the digital publishing market in Argentina. He was also associated with the Federal and City of Buenos Aires Government for the company's academic platform. Since 2010, Mr. Schcolnik has been an officer in Advanced Envirotec Corp., Advanced Copisa Environmental Corp. and other environmental remediation companies. Since 1995, Mr. Jorge Schcolnik has also been representing the State of Buenos Aires, Argentina, within the United States in a number of capacities Commencing 1999, Mr. Schcolnik acted as the chief advisor to the Small and Medium Sized Enterprises Secretariat of the Republic of Argentina based in the United States. Mr. Schcolnik held that position until 2001. During 2001, Mr. Schcolnik participated as a co-founder of Enterprise Buenos Aires Corp., which was later transformed into EBA PLC Corp., a company dedicated to the development of power-line communications. EBA PLC Corp. became a prominent company within the power line communications industry as after two years it was sold in a transaction involving several million US Dollars. Mr. Schcolnik was born in Buenos Aires, Argentina, in 1945 and moved to the United States in September 1995.

Mr. Schcolnik was appointed a member of the Board of Directors of the Issuer on July 20, 2017.

B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five 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

C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

<u>Title of Class of Stock</u>	<u>Name and Address Of Beneficial Owner</u>	<u>Amount and Nature of Beneficial Ownership</u>	<u>Percent Of Class</u>
Series A Preferred*	SF Holdings, LLC*	1,000,000	100
Series B Preferred*	Dror Svorai	524,750	34.61
Series B Preferred	Shalom Ohayon**	396,500	26.15
Series B Preferred	Yaniv Nahon	175,000	11.54

Officers and Directors:

Series B Preferred	Yaniv Nahon	175,000	11.54
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All Officers and Directors as a Group:

Series B Preferred	Yaniv Nahon	175,000	11.54
Common	Jorge Schcolnik	1,000,000	< 1

* Each share of Series A Preferred Stock has voting rights equivalent to 10,000 shares of common stock in any election of the shareholders for any purpose and is not convertible into common stock. As a result of holding 100% of the Issuer's Series A Preferred Stock, SF Holdings LLC is the sole controller person of the Issuer with 56.17% of the votes that may be cast by the shareholders in any vote for any purpose based on the current quantity of issued and outstanding shares of all classes of stock.

Each share of Series B Preferred Stock is convertible into 1,800 shares of common stock and has voting rights equivalent to 1,800 shares of common stock in any election of the shareholders for any purpose. The entire class of Series B Preferred Stock represents 15.33% of the total votes that may be cast by the shareholders in any election for any purpose based on the current quantity of issued and outstanding shares of all classes of stock.

Consequently, the 34.61% of the Issuer's Series B Preferred Stock held by Dror Svorai, only represents 5.31% of the total votes that may be cast by the shareholders based on the current quantity of issued and outstanding shares of all classes of stock.

**Shalom Ohayon, listed above as owning beneficially over ten percent (10%) of the Series B Preferred Stock, is not an officer nor director of the Issuer or any of its subsidiaries.

9) Third Party Providers

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

Legal Counsel

Name: Matheau J.W. Stout, Esq.
Firm: Matheau J.W. Stout, Esq., Attorney at Law
Address 1: 400 East Pratt Street
Address 2: 8th Floor
Address 3: Baltimore, Maryland 21202
Phone: (410) 429-7076
Email: mjwstout@gmail.com.

Accountant or Auditor

Name: None
Firm: None
Address 1: None
Address 2: None
Phone: None
Email: None

Investor Relations Consultant

Name: None
Firm: None
Address 1: None
Address 2: None
Phone: None
Email: None

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

Name: None
Firm: None
Address 1: None
Address 2: None
Phone: None
Email: None

10) Issuer Certifications

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, Yaniv Nahon, President and Treasurer of Vapor Group, Inc. certify that:

1. I have reviewed this quarterly disclosure statement and the financial reports cited in Section 5 above of Vapor Group, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

November 17, 2017

/s/Yaniv Nahon [President and Treasurer]

I, Jorge Schcolnik, Secretary and Chief Financial Officer of Vapor Group, Inc. certify that:

1. I have reviewed this quarterly disclosure statement and the financial reports cited in Section 5 above of Vapor Group, Inc.;
2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and
3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

November 17, 2017

/s/Jorge Schcolnik [Secretary, Chief Financial Officer]