

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines

THIRD BENCH, INC.

A FLORIDA Corporation
175 S. Main Street, Suite 1410
Salt Lake City, UT 84111

www.thirdbench.com

SIC Codes: 321210/238900

Email: info@thirdbench.com

Quarterly Report

For the period ending 11/30/23 (the "Reporting Period")

Outstanding Shares

The number of shares outstanding of our Common Stock was:

31,363,986 as of November 30, 2023

26,727,236 as of August 31, 2023

Shell Status

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933, Rule 12b-2 of the Exchange Act of 1934 and Rule 15c2-11 of the Exchange Act of 1934):

Yes: ☐ No: ☒

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

Yes: ☐ No: ☒

Change in Control

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

¹ "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

Yes: ☐ No: ☒

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

In answering this item, provide the current name of the issuer any names used by predecessor entities, along with the dates of the name changes.

The current name of the issuer is THIRD BENCH, INC. (sometimes referred to as “Third Bench” or the “Company.” We were originally incorporated in Nevada as Atheron Inc. on May 8, 2006 as a development stage company, initially developing a technology for ethanol-methanol gasoline. The Company decided not to go forward with the development of this technology and changed business models.

On November 5, 2010, we underwent a change of control and the Company’s newly appointed sole director and majority shareholder approved a name change to THIRD BENCH, INC. and a twenty-five (25) new for one (1) old forward stock split of the Company’s issued and outstanding shares of common stock.

On November 16, 2010, the Nevada Secretary of State accepted for filing the Certificate of Amendment to the Company’s Articles of Incorporation to change our name from Atheron, Inc. to THIRD BENCH, INC. The forward stock split and name change became effective with the Over-the-Counter Bulletin Board at the opening of trading on December 1, 2010.

On September 17, 2013, the Company purchased Title King LLC for 50,000,000 shares of common stock.

During the quarter ended August 31, 2021, the authorized shares were increased from 7,000,000,000 to 12,000,000,000. On October 4, 2021, the Company increased the authorized number of shares from 12,000,000,000 to 50,000,000,000. In addition, the Company reincorporated in Florida.

Effective October 2, 2023, the Company effectuated a 1:500 reverse common stock split (the “split.”) The Company changed its stock market ticker symbol from NECA to THBD in accordance with the stock split. These financial statements display all results had the split been in effect throughout the entire period.

The state of incorporation or registration of the issuer and of each of its predecessors (if any) during the past five years; Please also include the issuer’s current standing in its state of incorporation (e.g., active, default, inactive):

The Company is incorporated in the State of Florida and is currently active.

Describe any trading suspension orders issued by the SEC concerning the issuer or its predecessors since inception:

None

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

None

The address(es) of the issuer’s principal executive office:
175 S. Main Street, Suite 1410
Salt Lake City, UT 84111

The address(es) of the issuer’s principal place of business:

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

Has the issuer or any of its predecessors been in bankruptcy, receivership, or any similar proceeding in the past five years?

No: ☒ Yes: ☐ If Yes, provide additional details below:

2) Security Information

Trading symbol:	THBD
Exact title and class of securities outstanding:	Common Stock
CUSIP:	403775109
Par or stated value:	\$.00001

All information as of November 30, 2023

Total shares authorized:	50,000,000,000
Total shares outstanding:	31,363,986
Number of shares in the Public Float ² :	31,112,654
Total number of shareholders of record:	65

All additional class(es) of publicly traded securities (if any):

The Company has no other issues (e.g.- convertible debt, warrants, preferred shares) which are publicly traded

Transfer Agent

Name: Empire Stock Transfer
Phone: (702) 818-5898
Email: info@empirestock.com
Address: 1859 Whitney Mesa Drive, Henderson NV 89014

Is the Transfer Agent registered under the Exchange Act?³ Yes: ☒ No: ☐

Other classes of authorized or outstanding equity securities:

The goal of this section is to provide a clear understanding of the share information for its other classes of authorized or outstanding equity securities (e.g., preferred shares). Use the fields below to provide the information, as applicable, for all other authorized or outstanding equity securities.

Exact title and class of the security:	Series A Preferred stock
CUSIP (if applicable):	N/A

² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

Par or stated value:	\$.001
Total shares authorized:	51 as of date: 11.30.23
Total shares outstanding (if applicable):	51 as of date: 11.30.23
Total number of shareholders of record (if applicable):	1
Exact title and class of the security:	Series B Preferred stock
CUSIP (if applicable):	N/A
Par or stated value:	\$.00001
Total shares authorized:	510,000 as of date: 11.30.23
Total shares outstanding (if applicable):	510,000 as of date: 11.30.23
Total number of shareholders of record (if applicable):	2
Exact title and class of the security:	Series C Preferred stock
CUSIP (if applicable):	N/A
Par or stated value:	\$.00001
Total shares authorized:	360,000 as of date: 11.30.23
Total shares outstanding (if applicable):	243,614 as of date: 11.30.23
Total number of shareholders of record (if applicable):	4
Exact title and class of the security:	Series D Preferred stock
CUSIP (if applicable):	N/A
Par or stated value:	\$.00001
Total shares authorized:	45,500 as of date: 11.30.23
Total shares outstanding (if applicable):	45,350 as of date: 11.30.23
Total number of shareholders of record (if applicable):	2

Security Description:

The goal of this section is to provide a clear understanding of the material rights and privileges of the securities issued by the company. Please provide the below information for each class of the company's equity securities, as applicable:

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

Each common share is entitled to one vote per share of common stock that he holds.

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

The Series A Preferred stock has super-voting preferred rights. Assuming full dilution, the Series A preferred stock would have voting rights equivalent to approximately 9 billion shares.

The Series B Preferred stock is convertible into approximately 500 million common shares and carries a 2% dividend

The Series C Preferred stock is convertible into approximately 3 billion common shares and carries a 2% dividend

The Series D Preferred stock is convertible into approximately 6 billion common shares and carries a 3% dividend.

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

N/A

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

None

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**.

Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares, or any other securities or options to acquire such securities, issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

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

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

Shares Outstanding as of Second Most Recent Fiscal Year End: <u>Opening Balance</u> Date <u>8.31.22</u> Common: 26,727,236 Preferred: Series A: 51 Series B: 511,000 Series C: 390,000 Series D: 45,500			*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) -OR- Nature of Services Provided	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.

<u>9/29/22</u>	<u>Issuance</u>	<u>2,400,000</u>	<u>Common</u>	<u>\$.01</u>	<u>Yes</u>	<u>Trillium Partners LP / Stephen M Hicks</u>	<u>Direct purchase of common stock</u>	<u>Unrestricted</u>	<u>Regulation A</u>
<u>10/2/23</u>	<u>Issuance</u>	<u>2,250</u>	<u>Common</u>	<u>\$.01</u>	<u>Yes</u>	<u>Various</u>	<u>Fractional shares issued in reverse split</u>	<u>Unrestricted</u>	<u>Section 4(a)(2)</u>
<u>11/3/23</u>	<u>Issuance</u>	<u>2,625,000</u>	<u>Common</u>	<u>\$.0395</u>	<u>Yes</u>	<u>JP Carey Limited Partners/ Joseph Canouse</u>	<u>Extinguishment of convertible debt</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>11/3/23</u>	<u>Retirement</u>	<u>(35,832)</u>	<u>Series C Preferred stock</u>	<u>N/A</u>	<u>N/A</u>	<u>JP Carey Limited Partners/ Joseph Canouse</u>	<u>Retirement of preferred stock for common stock</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>11/6/23</u>	<u>Issuance</u>	<u>1,999,950</u>	<u>Common</u>	<u>\$.0395</u>	<u>Yes</u>	<u>Various</u>	<u>Retirement of preferred stock for common stock</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>11/6/23</u>	<u>Retirement</u>	<u>(150)</u>	<u>Series D Preferred stock</u>	<u>N/A</u>	<u>N/A</u>	<u>Trillium Partners LP / Stephen M Hicks</u>	<u>Retirement of preferred stock for common stock</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>12/5/23</u>	<u>Issuance</u>	<u>1,300,000</u>	<u>Common</u>	<u>\$.0083</u>	<u>Yes</u>	<u>Various</u>	<u>Retirement of preferred stock for common stock</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>12/5/23</u>	<u>Issuance</u>	<u>6</u>	<u>Series D Preferred stock</u>	<u>N/A</u>	<u>N/A</u>	<u>Trillium Partners LP / Stephen M Hicks</u>	<u>Retirement of preferred stock for common stock</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>12/5/23</u>	<u>Retirement</u>	<u>(104)</u>	<u>Series D Preferred stock</u>	<u>N/A</u>	<u>N/A</u>	<u>Trillium Partners LP / Stephen M Hicks</u>	<u>Retirement of preferred stock for common stock</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>12/5/23</u>	<u>Issuance</u>	<u>(6)</u>	<u>Series D Preferred stock</u>	<u>N/A</u>	<u>N/A</u>	<u>Trillium Partners LP / Stephen M Hicks</u>	<u>Retirement of preferred stock for common stock</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>12/5/23</u>	<u>Retirement</u>	<u>(258)</u>	<u>Series D Preferred stock</u>	<u>N/A</u>	<u>N/A</u>	<u>Trillium Partners LP / Stephen M Hicks</u>	<u>Retirement of preferred stock for common stock</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>12/12/23</u>	<u>Issuance</u>	<u>3,225,000</u>	<u>Common</u>	<u>\$.004</u>	<u>Yes</u>	<u>Various</u>	<u>Retirement of preferred stock for common stock</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>12/20/23</u>	<u>Issuance</u>	<u>3,529,411</u>	<u>Common</u>	<u>\$.0043</u>	<u>Yes</u>	<u>JP Carey Limited Partners/ Joseph Canouse</u>	<u>Extinguishment of convertible debt</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>

<u>12/27/23</u>	<u>Issuance</u>	<u>3,550,000</u>	<u>Common</u>	<u>\$.0027</u>	<u>Yes</u>	<u>Various</u>	<u>Retirement of preferred stock for common stock</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>12/27/23</u>	<u>Issuance</u>	<u>(284)</u>	<u>Series D Preferred stock</u>	<u>N/A</u>	<u>N/A</u>	<u>Trillium Partners LP / Stephen M Hicks</u>	<u>Retirement of preferred stock for common stock</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>1/8/24</u>	<u>Issuance</u>	<u>4,250,000</u>	<u>Common</u>	<u>\$.0025</u>	<u>Yes</u>	<u>Anvil Capital Management/ Jeffrey M. Canouse</u>	<u>Retirement of preferred stock for common stock</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>1/8/24</u>	<u>Issuance</u>	<u>(340)</u>	<u>Series D Preferred stock</u>	<u>N/A</u>	<u>N/A</u>	<u>Trillium Partners LP / Stephen M Hicks</u>	<u>Retirement of preferred stock for common stock</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>1/10/24</u>	<u>Issuance</u>	<u>4,662,500</u>	<u>Common</u>	<u>\$.003</u>	<u>Yes</u>	<u>Various</u>	<u>Retirement of preferred stock for common stock</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>1/10/24</u>	<u>Issuance</u>	<u>(373)</u>	<u>Series D Preferred stock</u>	<u>N/A</u>	<u>N/A</u>	<u>Trillium Partners LP / Stephen M Hicks</u>	<u>Retirement of preferred stock for common stock</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>1/19/24</u>	<u>Issuance</u>	<u>4,250,000</u>	<u>Common</u>	<u>\$.0027</u>	<u>Yes</u>	<u>Various</u>	<u>Retirement of preferred stock for common stock</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>1/19/24</u>	<u>Issuance</u>	<u>(340)</u>	<u>Series D Preferred stock</u>	<u>N/A</u>	<u>N/A</u>	<u>Trillium Partners LP / Stephen M Hicks</u>	<u>Retirement of preferred stock for common stock</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>
<u>1/29/24</u>	<u>Issuance</u>	<u>5,583,333</u>	<u>Common</u>	<u>\$.0025</u>	<u>Yes</u>	<u>JP Carey Limited Partners/ Joseph Canouse</u>	<u>JP Carey Limited P</u>	<u>Restricted</u>	<u>Section 4(a)(2)</u>

Shares Outstanding:

Balance sheet date:

Date 11.30.23 Common: 31,363,986

Series A: 51

Series B: 511,000

Series C: 243,614

Series D: 45,350

Date 1.29.24 Common: 61,714,230

Series A: 51

Series B 511,000,

Series C 207,782

Series D 43,650

Example: A company with a fiscal year end of December 31st, in addressing this item for its quarter ended December 31, 2022, would include any events that resulted in changes to any class of its outstanding shares from the period beginning on January 1, 2021 through December 31, 2022 pursuant to the tabular format above.

B. Promissory and Convertible Notes

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

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

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder. *You must disclose the control person(s) for any entities listed.	Reason for Issuance (e.g., Loan, Services, etc.)
<u>7/21/21</u>	<u>\$120,000</u>	<u>\$300,000</u>	<u>\$40,207</u>	<u>7/21/22</u>	<u>Fixed price of \$.0003, non-convertible as of April 18, 2023</u>	<u>Trillium Partners LP/ Stephen M. Hicks</u>	<u>Loan</u>
<u>7/21/21</u>	<u>418,500</u>	<u>300,000</u>	<u>101,235</u>	<u>7/21/22</u>	<u>Fixed price of \$.0003</u>	<u>J.P. Carey Limited Partners L.P./ Joseph Canouse</u>	<u>Loan</u>
<u>9/27/21</u>	<u>360,000</u>	<u>300,000</u>	<u>67,410</u>	<u>9/27/22</u>	<u>Fixed price of \$.0001, non-convertible as of April 18, 2023</u>	<u>Trillium Partners LP/ Stephen M. Hicks</u>	<u>Loan</u>
<u>9/27/21</u>	<u>450,000</u>	<u>300,000</u>	<u>96,625</u>	<u>9/27/22</u>	<u>Fixed price of \$.0001</u>	<u>J.P. Carey Limited Partners L.P./ Joseph Canouse</u>	<u>Loan</u>
<u>3/1/22</u>	<u>50,000</u>	<u>50,000</u>	<u>19,942</u>	<u>1/31/23</u>	<u>Non-convertible</u>	<u>Frondeur Partners, LLC- William Gonyer</u>	<u>Advisory services</u>
<u>4/1/22</u>	<u>10,000</u>	<u>10,000</u>	<u>1,666</u>	<u>2/28/23</u>	<u>Non-convertible</u>	<u>Frondeur Partners, LLC- William Gonyer</u>	<u>Advisory services</u>
<u>5/1/22</u>	<u>10,000</u>	<u>10,000</u>	<u>1,584</u>	<u>3/31/23</u>	<u>Non-convertible</u>	<u>Frondeur Partners, LLC- William Gonyer</u>	<u>Advisory services</u>
<u>6/1/22</u>	<u>10,000</u>	<u>10,000</u>	<u>1,499</u>	<u>4/30/23</u>	<u>Non-convertible</u>	<u>Frondeur Partners, LLC- William Gonyer</u>	<u>Advisory services</u>
<u>8/1/22</u>	<u>35,000</u>	<u>35,000</u>	<u>4,660</u>	<u>6/30/23</u>	<u>Non-convertible</u>	<u>Frondeur Partners, LLC- William Gonyer</u>	<u>Advisory services</u>
<u>10/1/22</u>	<u>50,000</u>	<u>50,000</u>	<u>5,822</u>	<u>8/30/23</u>	<u>Non-convertible</u>	<u>Frondeur Partners, LLC- William Gonyer</u>	<u>Advisory services</u>
<u>11/1/22</u>	<u>25,000</u>	<u>25,000</u>	<u>2,699</u>	<u>9/30/23</u>	<u>Non-convertible</u>	<u>Frondeur Partners, LLC- William Gonyer</u>	<u>Advisory services</u>
<u>12/1/22</u>	<u>25,000</u>	<u>25,000</u>	<u>2,493</u>	<u>10/31/23</u>	<u>Non-convertible</u>	<u>Frondeur Partners, LLC- William Gonyer</u>	<u>Advisory services</u>
<u>1/1/23</u>	<u>25,000</u>	<u>25,000</u>	<u>2,281</u>	<u>10/31/23</u>	<u>Non-convertible</u>	<u>Frondeur Partners, LLC- William Gonyer</u>	<u>Advisory services</u>

<u>2/1/23</u>	25,000	<u>25,000</u>	<u>2,482</u>	<u>11/30/23</u>	<u>Non-convertible</u>	<u>Frondeur Partners, LLC- William Gonyer</u>	<u>Advisory services</u>
<u>3/1/23</u>	25,000	<u>25,000</u>	<u>2,252</u>	<u>12/31/23</u>	<u>Non-convertible</u>	<u>Frondeur Partners, LLC- William Gonyer</u>	<u>Advisory services</u>
<u>4/1/23</u>	25,000	<u>25,000</u>	<u>1,997</u>	<u>1/31/24</u>	<u>Non-convertible</u>	<u>Frondeur Partners, LLC- William Gonyer</u>	<u>Advisory services</u>
<u>5/1/23</u>	25,000	<u>25,000</u>	<u>1,751</u>	<u>2/29/24</u>	<u>Non-convertible</u>	<u>Frondeur Partners, LLC- William Gonyer</u>	<u>Advisory services</u>
<u>6/1/23</u>	25,000	<u>25,000</u>	<u>1,496</u>	<u>3/31/24</u>	<u>Non-convertible</u>	<u>Frondeur Partners, LLC- William Gonyer</u>	<u>Advisory services</u>
<u>7/1/23</u>	25,000	<u>25,000</u>	<u>1,249</u>	<u>4/30/24</u>	<u>Non-convertible</u>	<u>Frondeur Partners, LLC- William Gonyer</u>	<u>Advisory services</u>
<u>8/1/23</u>	25,000	<u>25,000</u>	<u>995</u>	<u>5/31/24</u>	<u>Non-convertible</u>	<u>Frondeur Partners, LLC- William Gonyer</u>	<u>Advisory services</u>
<u>9/1/23</u>	25,000	<u>25,000</u>	<u>740</u>	<u>6/30/24</u>	<u>Non-convertible</u>	<u>Frondeur Partners, LLC- William Gonyer</u>	<u>Advisory services</u>
<u>10/1/23</u>	25,000	<u>25,000</u>	<u>493</u>	<u>7/31/24</u>	<u>Non-convertible</u>	<u>Frondeur Partners, LLC- William Gonyer</u>	<u>Advisory services</u>
<u>11/1/23</u>	25,000	<u>25,000</u>	<u>238</u>	<u>8/31/24</u>	<u>Non-convertible</u>	<u>Frondeur Partners, LLC- William Gonyer</u>	<u>Advisory services</u>
<u>12/1/23</u>	25,000	<u>25,000</u>	<u>N/A</u>	<u>9/30/24</u>	<u>Non-convertible</u>	<u>Frondeur Partners, LLC- William Gonyer</u>	<u>Advisory services</u>
<u>1/1/24</u>	25,000	<u>25,000</u>	<u>N/A</u>	<u>10/31/24</u>	<u>Non-convertible</u>	<u>Frondeur Partners, LLC- William Gonyer</u>	<u>Advisory services</u>
<u>2/1/24</u>	25,000	<u>25,000</u>	<u>N/A</u>	<u>11/30/24</u>	<u>Non-convertible</u>	<u>Frondeur Partners, LLC- William Gonyer</u>	<u>Advisory services</u>

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

Accrued interest is only showed through November 30, 2023 and not the date of this report

4) Issuer's Business, Products and Services

The purpose of this section is to provide a clear description of the issuer's current operations.
(Please ensure that these descriptions are updated on the Company's Profile on www.otcmarkets.com).

A. Summarize the issuer's business operations (If the issuer does not have current operations, state "no operations")

The Company has two subsidiaries. Third Bench Holdings, LLC and Title King, Inc. Currently, only Third Bench Holdings, LLC is an operating entity.

Third Bench Holdings, LLC is a holding company for six subsidiary companies operating as an architectural millwork and dealers in the cabinetry, kitchen and bath areas. Third Bench, through its subsidiary companies offer products in categories: Residential Cabinets and countertops and commercial millwork throughout the Western U.S. for customers from California to Texas. Third Bench also provides installation services as a part of its vertical offering. The company provides its products and services through its architectural millwork and retail facilities, currently located in Albuquerque and Las Cruces, New Mexico and Tucson, Arizona.

Title King LCC provides for lending against the retail value of an outstanding automobile. This enterprise is currently non-operating. Management will continue to monitor the market for automobile lending and may restart operations if conditions warrant.

B List any subsidiaries, parent company, or affiliated companies.

The subsidiaries operations are described in Part A. above.

C. Describe the issuers' principal products or services.

Our target markets in order of importance are

- a) Regional and national homebuilders;
- b) Home remodelers;
- c) General contractors

5) 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.

As of the filing date of this report, the Company's headquarters is located at 175 Main Street, Suite 1410, Salt Lake City, UT 84111.

Other facilities include;

- Santa Fe Flooring, LLC
 - 3711 Paseo del Norte NE, Albuquerque, NM 87113
- Las Cruces Cabinets LLC
 - 400 N 17th St., Las Cruces NM 88005
- LL industries Inc.
 - 5355 E Broadway Blvd, Tucson, AZ 85711
- Third Bench Stone
 - 911 W Amador Ave, Las Cruces, NM 88005
- M&K Industries / KMT Resources
 - 2200 Eubank Blvd NE, Albuquerque, NM 87112

All of these facilities are leased. See Note 16, Commitments and Contingencies for details of these leases.

6) Officers, Directors, and Control Persons

Using the table below, please provide information, as of the period end date of this report, regarding any officers, or directors of the company, individuals or entities controlling more than 5% of any class of the issuer's securities, or any person that performs a similar function, regardless of the number of shares they own. **If any insiders listed are**

corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information (City, State) of an individual representing the corporation or entity in the note section.

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

The goal of this 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 or beneficial shareholders.

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
David Fair	<u>Officer / Director / > 5%</u>	Albuquerque, NM	51	<u>Preferred Stock-Series A</u>	<u>100%</u>	_____
David Fair	<u>Officer Director 5% owner</u>	<u>Albuquerque, NM</u>	204,400	<u>Preferred Stock-Series B</u>	<u>40%</u>	_____
Okane Enterprises, LLC- Melissa Handley	<u>5% owner</u>	West Bountiful, UT	306,600	<u>Preferred Stock-Series B</u>	<u>60%</u>	
Joseph Canouse	<u>5% owner</u>	<u>Atlanta GA</u>	119,919	<u>Preferred Stock-Series C</u>	<u>49%</u>	
Jeffrey M. Canouse	<u>5% owner</u>	<u>Atlanta, GA</u>	114,614	<u>Preferred Stock-Series C</u>	<u>47%</u>	
Trillium Partners LP- Stephen M. Hicks	<u>5% owner</u>	<u>Ridgefield CT</u>	28,287	<u>Preferred Stock-Series D</u>	<u>62.4%</u>	
Jeffrey M. Canouse	<u>5% owner</u>	<u>Atlanta, Georgia</u>	17,063	<u>Preferred Stock-Series D</u>	<u>37.6%</u>	

7) Legal/Disciplinary History

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

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

None

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

None

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

None

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

None

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

There are no such matters to disclose that are not disclosed in footnote 3 to the financial statements where all known legacy legal matters are discussed.

8) Third Party Service Providers

Provide the name, address, telephone number and email address of each of the following outside providers. You may add additional space as needed.

Securities Counsel (must include Counsel preparing Attorney Letters).

Name: Matheau J. W. Stout, Esq
Firm:
Address 1: 400 E. Pratt Street 8th floor
Address 2: Floor Baltimore, MD 21202
Phone: 410-429-7076
Email: mjwstout@gmail.com

Accountant or Auditor

Name: Laurence Ditkoff
Firm: N/A
Address 1: 1706 Pinnacle Way
Address 2: Danbury CT 06811

Phone: 203.431.8300
Email: Larry_Ditkoff@sbcglobal.net

Investor Relations

Name: N/A

All other means of Investor Communication:

Twitter: N/A
Discord: N/A
LinkedIn: N/A
Facebook: N/A
[Other] N/A

Other Service Providers

Provide the name of any other service provider(s) that **that assisted, advised, prepared, or provided information with respect to this disclosure statement**. This includes counsel, broker-dealer(s), advisor(s), consultant(s) or any entity/individual that provided assistance or services to the issuer during the reporting period.

Name: N/A

9) Financial Statements

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

- ☐ IFRS
☒ U.S. GAAP

B. The following financial statements were prepared by (name of individual)⁴:

Name: Laurence Ditkoff

Title: _____

Relationship to Issuer: Consultant

Describe the qualifications of the person or persons who prepared the financial statements: Certified Public Accountant (Status inactive), Chartered Financial Analyst

Provide the following financial statements for the most recent fiscal year or quarter. For the initial disclosure statement (qualifying for Pink Current Information for the first time) please provide reports for the two previous fiscal years and any subsequent interim periods.

- a. Audit letter, if audited;
- b. Balance Sheet;
- c. Statement of Income;

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS and by persons with sufficient financial skills.

- d. Statement of Cash Flows;
- e. Statement of Retained Earnings (Statement of Changes in Stockholders' Equity)
- f. Financial Notes

10) Issuer Certification

Principal Executive Officer:

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) in each Quarterly Report or Annual Report.

The certifications shall follow the format below:

I, David Fair certify that:

1. I have reviewed this Disclosure Statement for Third Bench, 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.

1/29/24 [Date]

David Fair [CEO's Signature]

(Digital Signatures should appear as "/s/ [OFFICER NAME]")

Principal Financial Officer:

I, David Fair, certify that:

1. I have reviewed this Disclosure Statement for THIRD BENCH, 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.

2/2/24 [Date]

David Fair [CFO's Signature]

THIRD BENCH, INC.

CONSOLIDATED FINANCIAL STATEMENTS

November 30, 2023

Index to the Consolidated Financial Statements (Unaudited)

	<u>Page</u>
Consolidated Financial Statements	
Consolidated Balance Sheets at November 30, 2023 and August 31, 2022	16-17
Consolidated Statements of Operations for the three months ended November 30, 2023 and November 30, 2022	18
Consolidated Statement of Shareholders' Deficit from August 31, 2022 to November 30, 2023	19-20
Consolidated Statement of Cash Flows for three months ended November 30, 2023 and August 31, 2022	21-22
Notes to Consolidated Financial Statements	23

Third Bench, Inc.
Consolidated Balance Sheet
November 30, 2023 and August 31, 2023
(Unaudited)
(Continued)

	<u>November 30, 2023</u>	<u>August 31, 2023</u>
Assets		
Cash	\$ 189,760	\$ 615,026
Accounts Receivable (Note 5)	2,233,321	1,865,230
Earnings retention credit receivable (Note 11)	918,983	918,983
Intercompany receivable	-	-
Inventory (Note 6)	1,162,349	824,049
Deferred financing asset	423,119	423,119
Prepaid Expense & Other	909,367	1,000,729
Other Current Assets	<u>64,733</u>	<u>85,836</u>
Total Current Assets	5,901,632	5,732,971
Net Fixed Assets (Note 7)	1,296,050	1,308,339
Other Assets	<u>287,232</u>	<u>262,966</u>
Total Non- current assets	<u>1,583,282</u>	<u>1,571,305</u>
Total Assets	<u><u>\$ 7,484,914</u></u>	<u><u>\$ 7,304,276</u></u>
Liabilities		
Accounts Payable	\$ 2,173,499	\$ 1,841,489
Non-convertible notes	136,984	136,984
Convertible notes (Note 9)	1,431,083	914,593
Customer Deposits	937,255	802,356
Accrued Expenses	1,638,884	1,852,972
Other Liabilities	542,916	558,163
Put premium on stock settled debt	-	-
Common stock subscribed	-	-
Due to parent company	-	-
Accrued interest	361,815	234,850
Short term advances-related party	-	-
Line of credit (Note 10)	1,146,033	1,168,020
Related Parties Liabilities	<u>890</u>	<u>557</u>
Total Current Liabilities	8,369,359	7,509,984
Long term indebtedness (Note 15)	<u>8,509,729</u>	<u>8,933,368</u>
Total Liabilities	<u><u>16,879,089</u></u>	<u><u>16,443,351</u></u>

Third Bench, Inc.
Consolidated Balance Sheet
November 30, 2023 and August 31, 2023
(Unaudited)
(Continued)

	<u>November 30, 2023</u>	<u>August 31, 2023</u>
Commitments and Contingencies (Note 16)		
Stockholders' Deficit		
Net Income	-	
Preferred Stock- Series A -51 shares outstanding at November 30, 2023 and August 31, 2023, respectively	-	-
Preferred Stock- Series B -511,000 and 511,000 shares outstanding at November 30, 2023 and August 31, 2023, respectively	5	5
Preferred Stock- Series C -243,614 and 390,000 shares outstanding at November 30, 2023 and August 31, 2023, respectively	2	2
Preferred Stock- Series D-45,350 and 45,500 shares outstanding at November 30, 2023 and August 31, 2023, respectively	1	1
Preferred dividends paid	(1,379,657)	(1,379,657)
Common stock- 31,363,986 and 26,727,236, shares outstanding at November 30, 2023 and August 31, 2023, respectively	314	267
Additional paid-in capital	18,172,166	17,856,666
Retained Earnings	(26,187,006)	(25,616,358)
Total Stockholders' Deficit	<u>(9,394,175)</u>	<u>(9,139,074)</u>
Total Liabilities & Stockholders' Deficit	<u><u>\$ 7,484,914</u></u>	<u><u>\$ 7,304,276</u></u>

The accompanying notes are an integral part of these financial statements

Third Bench, Inc.
Consolidated Statement of Operations
Three months ended November 30, 2023 and 2022
(Unaudited)

	November 30 2023	November 30 2022
Revenues		
Net Sales	\$ 4,162,153	\$ 4,647,755
Cost of goods sold	<u>(2,408,193)</u>	<u>(2,444,460)</u>
Gross Profit	1,753,960	2,203,294
Operating Expenses		
Labor	846,021	690,572
Other Operating	36,495	203,734
General and administrative	769,181	759,141
Depreciation and Amortization	<u>12,289</u>	<u>39,139</u>
Total Operating Expenses	<u>1,663,985</u>	<u>1,692,586</u>
Net operating profit (loss)	89,975	510,709
Other Income (Expense)		
Other income	(30,475)	(5,695)
Interest expense	(170,148)	(132,616)
Default provision on convertible notes (See Note 13)	<u>(460,000)</u>	<u></u>
Total Other Income (Expense)	(660,623)	(138,311)
Net income before income taxes	(570,648)	372,398
Provision for Income Taxes	<u>-</u>	<u>-</u>
Net income/(loss)	<u>\$ (570,648)</u>	<u>\$ 372,398</u>
Weighted average shares outstanding	<u>28,109,340</u>	<u>25,102,071</u>
Net income/(loss) per share - Basic	<u>\$ (0.02)</u>	<u>\$ 0.01</u>

The accompanying notes are an integral part of these financial statements

Third Bench, Inc.
Statement of Stockholders' Deficit
Period from August 31, 2022 to November 30, 2023
(Unaudited)

	Series A Preferred stock		Series B Preferred stock		Series C Preferred stock		Series D Preferred stock	
	Shares	\$	Shares	\$	Shares	\$	Shares	\$
Balance at August 31, 2022	51	\$ -	511,000	\$ 5	243,614	\$ 2	45,500	\$ 1
Goodwill at subsidiary eliminated								
Fair value of warrants issued	-	-	-	-	-	-	-	-
Issuance of common stock for funds previously received	-	-	-	-	-	-	-	-
Net loss, twelve months ended August 31, 2023	-	-	-	-	-	-	-	-
Balance at August 31, 2023	51	-	511,000	5	243,614	2	45,500	1
Fractional shares issued upon reverse split	-	-	-	-	-	-	-	-
Extinguishment of convertible debt	-	-	-	-	-	-	-	-
Extinguishment of preferred stock	-	-	-	-	-	-	(150)	(0)
Net loss, three months ended November 30, 2023	-	-	-	-	-	-	-	-
Balance at November 30, 2023	51	\$ -	511,000	\$ 5	243,614	\$ 2	45,350	\$ 1

The accompanying footnotes are an integral part of these financial statements

Third Bench, Inc.
Statement of Stockholders' Deficit
Period from August 31, 2022 to November 30, 2023
(Unaudited)
(Continued)

	Preferred Dividends Issued \$	Common stock Shares	\$	Additional Paid- In Capital \$	Accumulated deficit \$	Total
Balance at August 31, 2022	\$ (1,379,657)	24,337,236	\$ 243	\$ 17,881,223	\$ (22,975,708)	\$ (6,473,892)
Goodwill at subsidiary eliminated				262,500		262,500
Fair value of warrants issued	-	-	-	(527,033)	-	(527,033)
Issuance of common stock for funds previously received	-	2,400,000	24	239,976	-	240,000
Net loss, twelve months ended August 31, 2023	-	-	-	-	(2,640,650)	(8,865,288)
Balance at August 31, 2023	\$ (1,379,657)	26,737,236	\$ 267	\$ 17,856,666	(25,616,358)	(9,139,074)
Fractional shares issued upon reverse split	-	2,250	0	-	-	0
Extinguishment of convertible debt	-	2,625,000	26	20,974	-	21,000
Fair value of outstanding warrants	-	-	-	294,547	-	294,547
Extinguishment of preferred stock	-	1,999,500	20	(20)	-	(0)
Net loss, three months ended November 30, 2023	-	-	-	-	(570,648)	(570,648)
Balance at November 30, 2023	<u>\$ (1,379,657)</u>	<u>31,363,986</u>	<u>\$ 314</u>	<u>\$ 18,172,166</u>	<u>\$ (26,187,006)</u>	<u>\$ (9,394,175)</u>

The accompanying footnotes are an integral part of these financial statements

THIRD BENCH, INC
CONSOLIDATED STATEMENTS OF CASH FLOWS
Three months ended November 30, 2023 and 2022
(Unaudited)

	<u>November 30, 2023</u>	<u>November 30, 2022</u>
OPERATING ACTIVITIES		
Net income (loss)	\$ (570,648)	372,398
Adjustments to reconcile net (loss) to cash used in operations		-
Depreciation Expense	12,289	39,139
Default provision on convertible notes	460,000	-
Earnings Retention credits	-	214,734
Issuance of non-cash fee and consulting notes	75,000	75,000
Put premium on stock settled debt	-	32,143
Changes in operating assets and liabilities:		
Accounts receivable	(368,090)	(106,145)
Inventory	(89,795)	(957,320)
Prepays and other current assets	115,628	8,940
Other Assets	21,103	145
Accounts payable	332,009	281,185
Other liabilities	(15,247)	(146,292)
Accrued liabilities	(87,123)	408,188
Customer deposits	134,900	(423,986)
Non-convertible notes payable	-	
Line of Credits/Credit Cards	(21,987)	513,795
Short-term advances	-	28,539
Related party payable	333	-
CASH FLOWS FROM OPERATING ACTIVITIES	<u>(1,628)</u>	<u>340,464</u>

THIRD BENCH, INC
CONSOLIDATED STATEMENTS OF CASH FLOWS
Three months ended November 30, 2023 and 2022
(Unaudited)
(Continued)

	<u>November 30, 2023</u>	<u>November 30, 2022</u>
INVESTING ACTIVITIES		
Investment in Property Plant and equipment	-	(148,927)
Sale of fixed assets	-	116,240
CASH FLOWS FROM INVESTING ACTIVITIES	<u>-</u>	<u>(32,687)</u>
FINANCING ACTIVITIES	-	
Issuance of common stock pursuant to Regulation A	-	240,000
Proceeds from non-convertible long-term indebtedness- net of repayments	(423,638)	(321,455)
Common stock subscribed but not yet issued		(240,000)
CASH FLOWS FROM FINANCING ACTIVITIES	<u>(423,638)</u>	<u>(321,455)</u>
Net increase in Cash and Cash Equivalents	(425,266)	(13,678)
Cash and Equivalents, Beginning of period	615,026	587,460
Cash and Equivalents, End of period	<u>\$ 189,760</u>	<u>\$ 573,782</u>
Cash paid during the period for:		
Interest	<u>\$ -</u>	<u>\$ -</u>
Taxes	<u>\$ -</u>	<u>\$ -</u>
Convertible debt extinguished	<u>\$ 21,000</u>	
Convertible Preferred extinguished	<u>\$ 150,000</u>	

The accompanying notes are an integral part of these financial statements

THIRD BENCH, INC.
NOTES TO FINANCIAL STATEMENTS
NOVEMBER 30, 2023

NOTE 1 - BASIS OF PRESENTATION AND ORGANIZATION

The accompanying consolidated financial statements include the accounts of THIRD BENCH, INC. and its subsidiaries (together with its subsidiaries, "THBD" or the "Company" and also referred to as "we," "us," and "our"), all of which are wholly-owned. All significant intercompany balances and transactions have been eliminated in consolidation. The accompanying financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("GAAP") and with the instructions to Form 10-K, Regulation S-X, and Regulation S-K. These consolidated financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

The Company was incorporated in Nevada on May 8, 2006. The Company has two wholly owned subsidiaries: a) Third Bench Holdings LLC ("TBH") and b) Title King LLC ("TK"). TBH is a holding company of three subsidiary companies that provide operational millwork as well as providers of cabinetry, kitchen and bath areas. TBH provides its products and services through its architectural millwork from California to Texas. At November 30, 2023, the TBH had five subsidiaries as follows:

- Las Cruces Cabinets, LLC doing business as Sher-wood Cabinets
- LL Industries, Inc. doing business as Davis Kitchens of Tucson
- Santa Fe Flooring LLC doing business as OGB Architectural Millwork
- MK Industries LTD doing business as Davis Kitchens of Albuquerque
- KMT Resources d/b/a More Window and Door

Additionally, the Company split off the countertop operations of Santa Fe Flooring LLC and created a separate entity called Third Bench Stone, LLC.

TK operates in the alternative financial services industry, providing automobile title loans to consumers who own their vehicle free and clear and need convenient and simple access to funds. Currently TK is non-operating at this time.

These consolidated financial statements were prepared on a going concern basis, which implies the Company will continue to realize its assets and discharge its liabilities in the normal course of business. The continuation of the Company as a going concern is dependent upon the Company obtaining necessary equity and debt financing until it can generate sustainable revenue. There is no guarantee the Company will be able to raise adequate equity or debt financing or generate profitable operations. For the three months ended November 30, 2023 and November 30, 2022, the Company incurred net income (loss) of (\$569,177) and 372,398, respectively, and had cash outflows from operations of (\$1,628) and \$340,464, respectively. Cash flows from operating activities were positive in the current period principally due to borrowings from short-term lines of credit and collections on Employee Retention Credit receipts. Management intends to raise additional funds, if necessary, through equity or debt financing and to generate cash from the sale of the Company's products.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting Method

The Company's consolidated financial statements are prepared using the accrual method of accounting. The Company has elected a fiscal year ending of August 31.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries, TBH and TK, and have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP"). All significant intercompany transactions and balances have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. It is possible that accounting estimates and assumptions may be material to the Company due to the levels of subjectivity and judgment involved.

Restatements

Where appropriate, financial data has been reclassified to more accurately reflect financial condition. There was no impact on net profitability due to these statements.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and cash in time deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less.

Accounts Receivable

Accounts receivable are reported at their outstanding principal balances. The Company grants credit to customers under credit terms that it believes are customary in the industry and requires collateral to support customer loan balances. Normal loan terms vary from 30-180 days. Collateral is repossessed for delinquent loans. The Company reviews its receivables quarterly and establishes a reserve when appropriate.

Long-lived Assets

Our long-lived assets include equipment and improvements, intangible assets, right-of-use assets, and goodwill. The Company continues to review its long-lived assets for possible impairment or loss of value at least annually or more frequently upon the occurrence of an event or when circumstances indicate that a reporting unit's carrying amount is greater than its fair value.

Equipment and improvements are stated at cost. Depreciation and amortization are provided using the straight-line method over the estimated useful asset lives (3 to 10 years) and the shorter of the initial lease term or estimated useful life for leasehold improvements. Intangible assets (other than goodwill) are originally recorded at fair value and are amortized on a straight-line basis over their estimated useful lives of 10 years. Maintenance and repair costs are expensed as incurred.

Right-of-use assets are measured at the present value of future minimum lease payments, including all probable renewals, plus lease payments made to the lessor before or at lease commencement and indirect costs paid, less incentives received. Our right-of-use assets include long-term leases for facilities and equipment and are amortized over their respective lease terms.

Debt Discount and Debt Issuance Costs

Debt discounts and debt issuance costs incurred in connection with the issuance of debt are capitalized and amortized to interest expense based on the related debt agreements using the straight-line method. Unamortized discounts are disclosed on the face of the financial statements and are netted against convertible notes.

Fair Value of Financial Instruments

During the current fiscal year, the Company decided to adopt ASC 480- "Distinguishing Liabilities from Equity" when they enter into convertible notes, some of which contain, predominantly, fixed rate conversion features, whereby the outstanding principal and accrued interest may be converted by the holder, into common shares at a fixed discount to the market price of the common stock at the time of conversion. This results in a fair value of the convertible note being equal to a fixed monetary amount. The Company records the convertible note liability at its fixed monetary amount by measuring and recording a premium, as applicable, on the note date with a charge to interest expense.

Previously, The Company applied the provisions of ASC 820-10, "Fair Value Measurements and Disclosures." ASC 820-10 defines fair value, and establishes a three-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The three levels of valuation hierarchy are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement.

For certain financial instruments, the carrying amounts reported in the balance sheets for cash and current liabilities, including convertible notes payable, each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest.

The Company uses Level 2 inputs for its valuation methodology for derivative liabilities as their fair values were determined by using the Black-Scholes-Merton pricing model based on various assumptions. The Company's derivative liabilities are adjusted to reflect fair value at each period end, with any increase or decrease in the fair value being recorded in results of operations as adjustments to fair value of derivatives.

The Company analyzes all financial instruments with features of both liabilities and equity under FASB ASC Topic 480, Distinguishing Liabilities from Equity, and FASB ASC Topic 815, Derivatives and Hedging.

Derivative Financial Instruments

The Company evaluates all of its agreements to determine if such instruments have derivatives or contain

features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported in the consolidated statements of operations. For stock-based derivative financial instruments, the Company uses a weighted average Black-Scholes-Merton option-pricing model to value the derivative instruments at inception and on subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is evaluated at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date.

Revenue Recognition

The Company recognizes revenue from interest income on consumer loans as the interest is earned. The Company's revenue recognition policies comply with FASB ASC Topic 605. Revenue is recorded when earned, which is generally over the period services are provided and no contingencies exist.

Income Taxes

The Company accounts for income taxes in accordance with ASC Topic 740, Income Taxes. ASC 740 requires a company to use the asset and liability method of accounting for income taxes, 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 not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment.

Under ASC 740, a tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded.

Basic and Diluted Earnings (Loss) Per Share

Earnings per share is calculated in accordance with ASC Topic 260, Earnings Per Share. Basic earnings per share ("EPS") is based on the weighted average number of common shares outstanding. Diluted EPS is based on the assumption that all dilutive convertible shares and stock warrants were converted or exercised. Dilution is computed by applying the treasury stock method. Under this method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. The common shares have been adjusted for the 1:500 reverse split effective October 2, 2023.

Paycheck Protection Program Loan

The Company's policy is to account for forgivable loans received through the Small Business Administration (SBA) under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) Paycheck Protection Program (PPP) as a contingent liability in accordance with Accounting Standards Codification (ASC) 450-30, Contingencies, and other related accounting pronouncements. The forgiveness of debt, in whole or in part, is recognized once the forgiveness is realized or realizable, which occurs when the Company believes all uncertainties regarding the final forgiveness of the loan are resolved. Any portion of debt forgiven, adjusted for accrued interest forgiven and unamortized debt issuance costs, is recorded as a gain on extinguishment of debt, and presented in the other income section of the statement of income. See Note 11 for forgiveness of these loans.

Presentation of Gross Receipts Tax

The State of New Mexico imposes gross receipts tax (GRT) to all non-exempt customers. The majority of the Company's customers are exempt from GRT under resale or out-of-state exemptions. When an event arises which requires the Company to collect the tax from the customer, the entire tax amounts are remitted to the state's taxation authority. The Company's policy is to exclude the tax collected for the state from revenue and cost of sales.

Leases

In February 2016, the FASB updated the accounting guidance related to leases. The most significant change in the updated accounting guidance requires lessees to recognize lease assets and liabilities on the balance sheet for all operating leases with the exception of short-term leases. The standard also expands the disclosures regarding the amount, timing, and uncertainty of cash flows arising from leases. For a lessee, the recognition, measurement, and presentation of expenses and cash flows arising from a lease did not significantly change from previous guidance. We adopted the updated guidance on December 1, 2020 on a prospective basis and as a result, prior period amounts were not adjusted to reflect the impacts of the updated guidance.

Segment Information

In accordance with the provisions of ASC 280-10, "Disclosures about Segments of an Enterprise and Related Information", the Company is required to report financial and descriptive information about its reportable operating segments. The Company at one time had two operating segments, Home Furnishings and car loans. The car loan portion of the business is now dormant. Segment reporting shows Home Furnishings and the parent company.

Restatements

All financial statements for prior periods have been restated to more accurately present Financial condition. There has been no profit and loss impact on any prior period statements. These financial statements include the impact of the common stock reverse split which became effective on October 2, 2023.

Recent Accounting Pronouncements

Recent Accounting Pronouncements In August 2018, the FASB issued ASU 2018-13, "Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement" ("ASU 2018-13"). ASU 2018-13 removes, modifies and adds certain disclosure requirements in Topic 820 "Fair Value Measurement". ASU 2018-13 eliminates certain disclosures related to transfers and the valuations process, modifies disclosures for investments that are valued based on net asset value, clarifies the measurement uncertainty disclosure, and requires additional disclosures for Level 3 fair value measurements. ASU 2018-13 is effective for the Company for annual and interim reporting periods beginning January 1, 2020. The adoption of this standard did not have a material impact on the Company's consolidated financial statements and related disclosures. In December 2019, the FASB issued authoritative guidance intended to simplify the accounting for income taxes (ASU 2019-12, "Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes"). This guidance eliminates certain exceptions to the general approach to the income tax accounting model and adds new guidance to reduce the complexity in accounting for income taxes. This guidance is effective for fiscal years beginning after December 15, 2020, including interim periods within those annual periods. The Company is currently evaluating the potential impact of this guidance on its consolidated financial statements. In January 2020, the FASB issued ASU 2020-01, Investments - Equity Securities (Topic 321), Investments - Equity Method and Joint Ventures (Topic 323), and Derivative and Hedging (Topic 815), which clarifies the interaction of rules for equity securities, the equity method of accounting, and forward contracts and purchase options on certain types of securities. The guidance clarifies how to account for the transition into and out of the equity method of accounting when considering observable transactions under the measurement alternative. The ASU is effective for annual reporting periods beginning after December 15, 2020, including interim reporting periods within those annual periods, with early adoption permitted. The Company is currently evaluating the impact of the new guidance on our consolidated financial statements.

In August 2020, the FASB issued ASU 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40): Accounting for Convertible Instruments and Contracts in an Entity's Own Equity. This ASU amends the

guidance on convertible instruments and the derivatives scope exception for contracts in an entity's own equity, and also improves and amends the related EPS guidance for both Subtopics. The ASU will be effective for annual reporting periods after December 15, 2021 and interim periods within those annual periods and early adoption is permitted. The Company is currently evaluating the impact of the new guidance on our consolidated financial statements. Management does not believe that any recently issued, but not yet effective accounting pronouncements, when adopted, will have a material effect on the accompanying consolidated financial statements.

In April 2020, the FASB issued a Staff Q&A, Topic 842 and 840: Accounting For Lease Concessions Related to the Effects of the COVID-19 Pandemic in order to provide clarity regarding the accounting treatment for lease concessions provided as a result of COVID-19. Under existing lease guidance, changes to certain lease terms not specified in the original lease agreement require modification accounting treatment. To provide relief, the FASB Staff Q&A permits alternatives to modification accounting under Topic 842. For concessions related to the effects of the COVID-19 pandemic that do not result in a substantial increase in the rights of the lessor or our obligations as the lessee, we are not required to analyze each contract to determine whether enforceable rights and obligations for concessions exist in the lease agreement and can elect to apply or not apply the lease modification guidance in Topic 842. In fiscal year 2020 and 2021, no financial concessions had been taken by the Company or any of its subsidiaries.

In August 2020, the FASB issued ASU 2020-06, which amends the measurement and disclosure of convertible instruments, contracts in an entity's own equity, and EPS guidance. The guidance can be adopted using a modified retrospective method or a fully retrospective method. The amendments are effective for fiscal years beginning after December 15, 2021 for public entities, excluding those that are smaller reporting companies. For all other entities the amendments are effective for fiscal years beginning after December 15, 2023. The Company does not expect the update to have a material impact on its consolidated financial statements and related disclosures.

In June, 2020 the FASB issued ASU No. 2020-05, Revenue from Contracts with Customers (Topic 606). Topic 606 outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. The Company adopted Topic 606 in September 2019, and recognizes revenue when control of goods and services is transferred to customers. The Company recognizes revenue in accordance with ASC Topic 606. The Company recognizes revenue upon transfer of control of goods to customers.

In November, 2021, the Financial Accounting Standards Board (FASB) issued ASU 2021-10 Government Assistance (Topic 832) Disclosures by Business Entities about Government Assistance is effective for fiscal periods after December 15, 2021, for both public and private companies. The Company has not yet adopted this standard and has disclosed its financial assistance received in the form of Payroll Protection Program (PPP) and SBA Economic Injury Disaster (EIDL) Loans in accordance with Accounting Standards Codification (ASC) 470, Debt until the point of forgiveness and then as a government grant by analogy to International Accounting Standard (IAS) 20, Accounting for Government Grants and Disclosure of Government Assistance.

NOTE 3 – ACQUISITION OF TBH

TBH acquired the following subsidiaries on the following dates:

Santa Fe Flooring LLC doing business as OGB Architectural Millwork- September 26, 2019
Las Cruces Cabinets, LLC doing business as Sher-wood Cabinets-September 18, 2020
LL Industries, Inc. doing business as Davis Kitchens of Tucson – March 12, 2021
MK Industries, Inc. doing business as Davis Kitchens of Albuquerque – October 1 2021
KMT Resources d/b/a More Window and Door- October 1, 2021

On July 12, 2021, the Company acquired TBH for the issuance of 511,000 shares of Series B Preferred stock. At the same time the Company reached agreements with its prior secured creditors and former Chief Executive officer 390,000 shares of Series C Preferred stock and 100,000 shares of Series D Preferred stock. With the issuances of these securities, the Company eliminated almost \$2,000,000 of liabilities in the form of convertible debt, accrued interest and accrued officer compensation. Please refer to the Stockholders' Deficit footnote, Note 17, below for more detail.

NOTE 4 – CASH AND CASH EQUIVALENTS

Cash and cash equivalents represent deposits at local banking institutions, petty cash and any risk-free assets held. As of November 30, 2023 and August 31, 2023, the balances were as follows:

Cash and cash equivalents on hand by operating subsidiary are as follows:

	<u>November 30, 2023</u>	<u>August 31, 2023</u>
TBH	\$ 189,545	\$ 614,819
TK	215	207
Total	<u>\$ 189,760</u>	<u>\$ 615,026</u>

NOTE 5- ACCOUNTS RECEIVABLE

Accounts receivable are predominately at the three operating subsidiaries of TBH. The Company grants unsecured credit to customers after performing credit checks through various reporting agencies. The risk of loss on the accounts receivable is the balance due at the time of default. Management reviews accounts receivable monthly and determines when receivables are past due or delinquent based on contractual terms and past experience of the customer base. The Company considers all receivables over 45 days to be past due. Management of the Company has not provided an allowance for doubtful accounts receivable at November, 2023 and August 31, 2023. Generally, the Company requires deposits against orders of up to 100% of the order value. Management considers all receivables collectable and are reflected at net realizable value. As of November 30, 2023 and August 31, 2023, the balances were as follows:

	<u>November 30, 2023</u>	<u>August 31, 2023</u>
TBH	\$ 2,233,321	\$ 1,865,230
TK	-	-
Total	<u>\$ 2,233,321</u>	<u>\$ 1,865,230</u>

NOTE 6- INVENTORY

Inventory is valued using the first-in, first-out periodic ("FIFO") method and is stated at historical cost. Costs included in finished goods are composed primarily of materials, labor, and allocations of factory overhead. Raw materials are valued at historical cost. As of November 30, 2023 and August 31, 2023, the balances were as follows:

	<u>November 30, 2023</u>	<u>August 31, 2023</u>
TBH	\$ 1,162,349	\$ 824,049
TK	-	-
Total	<u>\$ 1,162,349</u>	<u>\$ 824,049</u>

Inventory by location at November 30, 2023 and August 31, 2023 is as follows:

	<u>August 31, 2023</u>	August <u>31, 2022</u>
Santa Fe Flooring	\$ 355,779	\$ 272,700
Las Cruces Cabinets	24,146	24,146
LL Industries	485,527	132,775
MK Industries	117,714	191,889
KMT Resources	179,183	202,540
Total	<u>\$ 1,162,349</u>	<u>\$ 824,049</u>

NOTE 7- NET FIXED ASSETS

Fixed Assets, Net of accumulated depreciation, consist of the following as of November 30, 2023 and August 31, 2023:

	<u>November 30, 2023</u>	<u>August 31, 2023</u>
Equipment	\$ 2,215,740	\$ 2,215,740
Vehicles and Trailers	591,659	591,659
Leasehold Improvements	154,500	154,500
Furniture & Fixtures	133,612	133,612
Fixed Assets Gross	<u>3,095,511</u>	<u>3,095,511</u>
Depre. and Amor.	<u>(1,799,461)</u>	<u>(1,787,172)</u>
Fixed Assets Net	<u>\$ 1,296,050</u>	<u>1,308,339</u>

NOTE 8- ACCOUNTS PAYABLE

Accounts payable principally reside at the three operating subsidiaries of TBH. Payables are for expenses and costs such as salaries and inventory.

As of November 30, 2023 and August 31, 2023, the balances were as follows:

	<u>November 30, 2023</u>	<u>August, 2023</u>
TBH	\$ 2,049,499	\$ 1,717,489
TK	<u>124,000</u>	<u>124,000</u>
Total	<u>\$ 2,173,499</u>	<u>\$ 1,841,489</u>

NOTE 9 – CONVERTIBLE NOTES

As of November 30, 2023 and August 31, 2023, the balances were as follows:

<u>Date Issued</u>	<u>Creditor</u>	<u>November 30, 2023</u>	<u>August 31, 2023</u>
7-21-21	Trillium Partners, LP	\$ 120,000	\$ 80,000
7-21-21	J.P. Carey Limited Partners, Inc	429,000	240,000
9-27-21	Trillium Partners, LP	360,000	300,000
9-27-21	J.P. Carey Limited Partners, Inc.	450,000	300,000
3-1-22	Frondeur Partners, LLC	50,000	50,000
4-1-22	Frondeur Partners, LLC	10,000	10,000
5-1-22	Frondeur Partners, LLC	10,000	10,000
6-1-22	Frondeur Partners, LLC	10,000	10,000
8-1-22	Frondeur Partners, LLC	35,000	35,000
10-1-22	Frondeur Partners, LLC	50,000	50,000
11-1-22	Frondeur Partners, LLC	25,000	25,000
12-1-22	Frondeur Partners, LLC	25,000	25,000
01-1-23	Frondeur Partners, LLC	25,000	25,000
02-1-23	Frondeur Partners, LLC	25,000	25,000
03-1-23	Frondeur Partners, LLC	25,000	25,000
04-1-23	Frondeur Partners, LLC	25,000	25,000
05-1-23	Frondeur Partners, LLC	25,000	25,000
06-1-23	Frondeur Partners, LLC	25,000	25,000
07-1-23	Frondeur Partners, LLC	25,000	25,000
08-1-23	Frondeur Partners, LLC	25,000	25,000
09-1-23	Frondeur Partners, LLC	25,000	-
10-1-23	Frondeur Partners, LLC	25,000	-
11-1-23	Frondeur Partners, LLC	<u>25,000</u>	<u>-</u>
	Total convertible notes, gross	\$ 1,849,000	\$ 1,335,000
	Less; discount	(417,917)	(420,407)
	Total convertible notes, net	<u>\$ 1,431,083</u>	<u>\$ 914,593</u>

See Item 3B, Issuance History, for conversion features on these obligations.

NOTE 10- LINE OF CREDIT

The Company has various revolving lines of credit, each with maximum borrowing limit of \$200,000, including variable interest of 2% over the monthly LIBOR rate. The line matures on February 5th, 2023. The outstanding balances as of November 30, 2023 and August 31, 2023 were \$1,146,033 and \$1,168,020, respectively. The Company was in compliance with all loan covenants as of November 30, 2023 and August 31, 2023.

NOTE 11- PAYROLL PROTECTION PROGRAM AND EMPLOYEE RETENTION CREDITS

Due to the COVID pandemic, the United States Government allowed for credits to be issued for the following:

Employee retention credits- Employee retention credits are credits for payroll taxes paid during the pandemic.

During the following years, the following credits were as follows:

	November 30, <u>2023</u>	August 31, <u>2023</u>
Employee retention credits (ERC)	<u>\$ 918,983</u>	<u>\$ 918,393</u>

NOTE 12 – INTEREST EXPENSE

For the three months ended November 30, 2023 and November 30, 2022, interest expense was as follows:

	<u>November 30, 2023</u>	<u>November 30, 2022</u>
Put premium*	\$ -	\$ 32,143
Accrued interest on debt	<u>168,677</u>	<u>100,473</u>
Total	<u>\$ 168,677</u>	<u>\$ 132,616</u>

*- During the twelve months ended August 31, 2023, the Company's variable conversion price debt was converted into non-convertible debt. As such, the put premium associated with these notes were reversed.

NOTE 13 – DEFAULT PROVISION ON CONVERTIBLE NOTES

The notes issued in July and September 2021 have step-up provisions which allow for the notes and accrued interest to be stepped up by 50% once these notes are in default. This occurred in the current period and as such, the face value of these notes and accrued interest was increased by approximately \$460,000 and \$100,000, respectively.

NOTE 14 – WARRANTS

Adjusted for the split, the Company issued approximately 8 million warrants to investors. The Company does not consider the warrants to be material to their financial condition. A list of warrants with exercise prices and expiration dates follows below.

Range of Exercise prices	Warrants outstanding	Remaining life (in years)	Valuation
\$ 0.15	2,000,000	2.64	\$ 93,219
\$ 0.05	3,100,000	2.83-3.76	250,297
\$ 0.025	<u>2,750,000</u>	4.01-4.51	<u>74,401</u>
	<u>7,850,000</u>		<u>\$ 417,917</u>

NOTE 15 – LONG TERM INDEBTEDNESS

Long term indebtedness is as follows at November 30, 2023 and August 31, 2023:

			November 30, 2023	August 31, 2023
Note 1	SBA Loan		1,322,578.59	1,438,988
Note 2	EIDL		140,497.00	142,690
Note 3	Seller Notes		275,000	523,805
Note 4	Long Term Debt		2,725,000	2,725,000
Note 5	Long Term Debt		1,500,000	1,500,000
Note 6	Seller Notes		837,486.91	848,620
Note 7	Equipment Loans	LCC	-	25,027
Note 8	Equipment Loans	LCC	10,735.41	11,942
Note 9	Equipment Loans	LCC	6,877.15	8,258
Note 10	Equipment Loans	LCC	2,390	5,025
Note 11	Equipment Loans	TBH	16,366	18,062
Note 12	Seller Notes	DKA	99,034.81	108,467
Note 13	EIDL		150,000.00	150,000
Note 14	EIDL	DKA	150,000	150,000
Note 15	Equipment Loans	SFF	73,764.27	77,484
Note 16	Short Term Loans		1,200,000	1,200,000
Total:			\$ 8,509,729	\$ 8,933,368

NOTES

1) On September 26, 2019 the Company entered into an SBA guaranteed note agreement with a finance company, maturing September 26, 2029 in the original amount of \$1,995,000 at a variable annual interest rate of WSJ Prime + 2.75% with monthly payments of \$22,571 per month. Secured by Accounts Receivable and Fixed Assets of Santa Fe Flooring LLC.

2) On May 21, 2020 the Company entered into an Economic Injury Disaster Loan (EIDL) with the US Small Business Administration maturing May 21, 2050 in the original amount of \$150,000 at a fixed annual interest rate of 3.75% with the first payment due May 21, 2022 with anticipated monthly payments of approximately \$5,700 per month

3) On October 11, 2020 the Company entered into an unsecured Promissory Note with the seller of Sher-Wood Fine Wood Design maturing September 11, 2025 in the original amount of \$710,000 at an annual interest rate of 6% with monthly payments of \$13,726.

4) On December 3, 2020 the Company entered into a note agreement with a finance company, maturing December 3, 2023 in the original amount of \$2,000,000 at a fixed annual interest rate of 15% with monthly payments of \$25,000 interest only. The loan principal is due upon the maturity of the loan. The loan term provided for bi-weekly draws of \$500,000 to the maximum of \$2,000,000 with the initial draw of \$550,000 taken on December 31 2020 and the remainder in the first quarter of 2021. The loan provides for a loan bonus earned at maturity or change in ownership control in the amount of \$400,000. Secured by Accounts Receivable and Fixed Assets of Santa Fe Flooring LLC. Secured by a Senior Subordination Agreement covering all accounts, inventory, equipment, intangibles and investment property of Third Bench Holdings LLC.

5) On April 30, 2021 the Company entered into a Mezzanine loan agreement with a finance company, maturing April 30, 2024 in the original amount of \$1,500,000 at a fixed annual interest rate of 15% with monthly interest only payments of \$18,750 per month. The loan provides for a loan bonus earned at maturity or change in ownership control in the amount of \$300,000. Secured by a Senior Subordination Agreement covering all accounts, inventory, equipment, intangibles and investment property of Third Bench Holdings LLC

6) On March 9, 2021 the Company entered into a Promissory Note with the sellers of Davis Kitchens – Tucson maturing March 9, 2031 in the original amount of \$965,023 at an interest rate of 3% with monthly payments of \$9,484. Secured by AR and Fixed Assets.

On September 23, 2020 as part of the acquisition of Sher-Wood Fine Wood Design the Company assumed the following notes of the Company:

7) Company assumed an auto loan with a bank maturing January 17, 2024 in the original amount of \$100,000 at a rate of 6% with monthly payments of principal and interest of \$2,341. Secured by a Company owned service trucks

8) Company assumed an auto loan with a bank maturing September 17, 2024 in the original amount of \$47,668 at a rate of 6% with monthly payments of principal and interest of \$1,189. Secured by Company owned vehicle

9) Company assumed an auto loan with an Auto loan with a bank maturing December 24, 2024 in the original amount of \$23,605 at a rate of 12.5% with monthly payments of principal and interest of \$633. Secured by Company owned vehicle

10) Company assumed an autoX (Equipment) loan with a bank maturing December 1, 2023 in the original amount of \$45,371 at a rate of 10.6% with monthly payments of principal and interest of \$926. Secured by Company owned vehicle

11) On June 30, 2021 The Company entered into a Promissory Note for the purchase of a Company Vehicle in the original amount of \$28,842 maturing 8/15/2026 at an interest rate of 8.59% secured by the vehicle purchased

12) On October 1, 2021 the Company entered into a Promissory Note with the Seller of Davis Kitchens Albuquerque maturing October 1, 2026 at a fixed annual interest rate of 3.0% with monthly installments of \$3,144. Secured by the transferred asset within the Sale Agreement.

13) On February 22, 2022 the Company entered into an Economic Recovery loan with the State of New Mexico in the amount of \$150,000 Maturing 2/22/2032 with an interest rate of 1.6%. The terms provide for interest only payments beginning 2/22/2023 and monthly principal and interest payments from 3/22/2023 until maturity.

14) On March 14, 2022, the Company entered into a Small Business Recover and Stimulus Program Loan with the New Mexico Finance Authority (NMFA). Small Business Administration maturing March 14, 2032 in the original amount of \$150,000 at a fixed annual interest rate of 1.625% with the first annual interest only payment due March 14 2024. Monthly principal and interest payments will be due beginning March 14, 2025.

15) On February 10, 2023 the company entered into a vehicle loan for a box truck with Premier Financing at a fixed rate of 11.10% with a \$1,661 monthly payment.

16) On December 17, 2022 the company entered into a short-term note secured by future employee retention credits

NOTE 16- COMMITMENTS AND CONTINGENCIES – LEASES

On July 19, 2019, upon the acquisition of OGB Millwork by the Company’s subsidiary Santa Fe Flooring, LLC, Santa Fe Flooring entered into an operating lease for an operational facility located in Albuquerque, New Mexico from the seller. The agreement expires September 30, 2024 with a monthly rent of \$19,765.

On September 23, 2020, upon the acquisition of Sher-wood Fine Wood Design by the Company’s subsidiary Las Cruces Cabinets entered into a lease for an operational facility located at 911 West Amador, Las Cruces, New Mexico from the seller. The agreement expires in May 31, 2026, with an initial monthly rent of \$4000 and increasing each year.

On September 11, 2020, upon the acquisition of Sher-wood Fine Wood Design by the Company’s subsidiary Las Cruces Cabinets entered into a lease for an operational facility located at 400 N 17th St Las Cruces, NM, New Mexico from the seller. The agreement expires in September, 2025, with an initial monthly base rent of \$5000.

On March 15, 2021 upon acquisition of Davis Kitchens Tucson by the Company’s subsidiary LL Industries, Inc entered into a Sublease Agreement for a showroom and operational facility located in Tucson, Arizona. The agreement expires on May 31, 2027 with an initial base monthly rent of \$15,073 beginning on June 1, 2022. The Company is additionally obligated to pay Common Area Maintenance charges which are variable but are \$12,096 per month include property taxes and repair and maintenance costs prorated on a square footage basis and a ‘percentage rent’ beginning July 1, 2022 payable quarterly and calculated at 1% of Company’s quarterly revenue in excess of \$3 million.

Rent from May 15, 2021 through 05/31/2022 was deferred until May, 2021 as part of the overall sale agreement)

On October 1, 2021 upon acquisition of Davis Kitchens Albuquerque the Company assumed a lease Agreement for a showroom and operational facility located in Albuquerque, New Mexico. The agreement expires on December 31, 2024 with a base monthly rent of \$8,000 beginning on Jan 1, 2022 through expiration of the lease.

Minimum lease payments over their remaining terms are as follows:

2024	\$ 715,449
2025	\$ 424,680
2026	\$ 326,028
Thereafter	\$ 326,028
	<hr/>
	<u>1,792,145</u>

NOTE 17 – STOCKHOLDERS’ DEFICIT

Common stock

Reverse Split

Effective October 2, 2023, the Company effectuated a reverse split of 1:500 common shares. The stock symbol was changed to THBD.

At November 30, 2023 and August 31, 2022, the Company had 31,409,238 and 26,727,236 shares of common stock respectively, issued and outstanding.

As of the balance sheet, if all convertible securities were converted into common stock, there would be approximately 9 billion shares outstanding as follows:

Common stock outstanding at November 30, 2023	31,363,986
<u>Preferred stock</u>	
Series A	51
Series B	493,081,226
Series C	2,931,250,000
Series D	5,687,500,000
Convertible debt	21,537,192
Warrants	<u>7,850,000</u>
Total shares assuming full conversion	<u>9,172,582,455</u>

Preferred stock

On September 28, 2013, the Company issued 51 shares of No-par Series A Preferred stock to Jeffrey M. Canouse, our Chief Executive. Each share is convertible into one share of our existing common stock. However, for voting purposes, they are convertible into 51% of the outstanding common stock at any time. These shares were transferred to David Fair, our current CEO when he assumed that role.

On July 12, 2021 the Company issued 511,000 shares of Series B Preferred stock to the owners of TBH in consideration for the assets contributed. The Series B stock is convertible into 90% ownership of the Company on a fully diluted basis for a period of one year.

On July 12, 2021 the Company issued 390,000 shares of Series C Preferred stock to the creditors of the Company for extinguishment of their outstanding debt. Each share is convertible into 16,000 shares of common stock subject to anti-dilution provisions.

On September 1, 2021, the Company paid \$400,000 to retire 81,360 of Jeffrey M. Canouse’s Series C Preferred stock.

On July 12, 2021 the Company issued 45,500 shares of Series D Preferred stock for services provided. Each share was originally convertible into 10,000 shares of common stock subject to anti-dilution provisions. At the Balance Sheet date, no shares have been converted into common stock. During the quarter 150 shares of Series D preferred stock was converted into 2.6 million common shares.

NOTE 18 – LEGAL PROCEEDINGS

As a commercial enterprise and employer, the Company is subject to various claims and legal actions in the ordinary course of business. These matters can include professional liability, employment-relations issues, workers' compensation, tax, payroll and employee-related matters, other commercial disputes arising in the course of its business, and inquiries and investigations by governmental agencies regarding our employment practices or other matters. The Company is not aware of any pending or threatened litigation that it believes is reasonably likely to have a material adverse effect on its results of operations, financial position or cash flows.

NOTE 19- SEGMENT REPORTING

Due to inactivity in the car loan segment, there is no segment reporting required. However, the Company has decided to show a statement of assets and liabilities and three-month income statements broken down between the parent company and the operating subsidiary to more accurately reflect financial position. The statements follow below

Third Bench, Inc.
Statement of Assets and Liabilities
November 30, 2023

	PARENT COMPANY	THIRD BENCH HOLDINGS, LLC	ELIMINATIONS	November 30, 2023
Assets				
Cash	\$ 215	\$ 189,545	\$ -	\$ 189,760
Accounts Receivable (Note 5)		2,233,321	-	2,233,321
Earnings retention credit receivable (Note 11)		918,983		918,983
Inventory (Note 6)		1,162,349	-	1,162,349
Deferred financing asset	48,219	374,900	-	423,119
Prepaid Expense & Other		909,367	-	909,367
Other Current Assets		64,733	-	64,733
Total Current Assets	2,080,935	5,853,197	(2,032,500)	5,901,632
Net Fixed Assets (Note 7)		1,296,050	-	1,296,050
Other Assets		287,231	-	287,232
Total Non- current assets	5,422,391	2,108,746	(5,947,856)	1,583,282
Total Assets	\$ 7,503,326	\$ 7,961,943	\$ (7,980,356)	\$ 7,484,915
Liabilities				
Accounts Payable	\$ 124,000	\$ 1,796,163	\$ 253,336	\$ 2,173,499
Non-convertible notes	\$ 136,984	-	-	136,984
Convertible notes (Note 9)	1,431,083	-	-	1,431,083
Customer Deposits	-	937,255	-	937,255
Accrued Expenses	10,000	1,628,884	-	1,638,884
Other Liabilities	-	542,916	-	542,916
Due to parent company	-	2,032,500	(2,032,500)	-
Accrued interest	361,815	-	-	361,815
Line of credit (Note 10)	-	1,146,033	-	1,146,033
Related Parties Liabilities	890	-	-	890
Total Current Liabilities	2,064,772	8,083,751	(1,779,164)	8,369,359
Long term indebtedness (Note 15)	-	8,509,729	-	8,509,729
Total Liabilities	2,064,772	16,593,480	(1,779,164)	16,879,089
Stockholders Deficit				
Total Stockholders' Deficit	5,438,553	(8,631,537)	(6,201,192)	(9,394,174)
Total Liabilities & Stockholders' Deficit	\$ 7,503,325	\$ 7,961,943	\$ (7,980,356)	\$ 7,484,915

Third Bench Inc.
Consolidated Statement of Operations
Three months ended November 30, 2023

	PARENT COMPANY	THIRD BENCH	ELIMINATIONS	November 30 2023
Revenues				
Net Sales	\$ -	\$ 4,162,153	\$ -	\$ 4,162,153
Cost of goods sold	-	(2,408,193)	-	(2,408,193)
Gross Profit	-	1,753,960	-	1,753,960
Operating Expenses				
Labor	-	846,021	-	846,021
Other Operating	-	36,495	-	36,495
General and administrative	75,324	693,857	-	769,181
Depreciation and Amortization	-	12,289	-	12,289
Total Operating Expenses	75,324	1,588,661	-	1,663,985
Net operating profit (loss)	(75,324)	165,299	-	89,975
Other Income (Expense)				
Other income	-	(30,475)	-	(30,475)
Interest expense	(126,965)	(43,182)	-	(170,148)
Default provision on convertible notes (See Note 13)	(460,000)			(460,000)
Total Other Income (Expense)	(586,965)	(73,658)	-	(660,623)
Net income before income taxes	(662,289)	91,642	-	(570,648)
Provision for Income Taxes	-	-	-	-
Net income/(loss)	\$ (662,289)	\$ 91,642	\$ -	\$ (570,648)

NOTE 20- INTERCOMPANY TRANSACTIONS

The Subsidiary Companies have very little activity among one another. Each Subsidiary pays or accrues a management fee to Third Bench Holdings LLC and settles those obligations as working capital permits. The Seller loan from the acquisition of Sher-wood Fine Wood Design is recorded on the books of Las Cruces Cabinets and is reimbursed by Third Bench Holdings LLC. On occasion either Third Bench Holdings LLC or one of the Equity holders may advance the Subsidiaries monies for short-term working capital. Such amounts paid by members that are not included in the consolidated financial statements are reflected in the member notes in the Current Liabilities of the Consolidated Balance Sheet. All other related party activity between the Consolidated Entities has been eliminated from the financial statements in the Consolidating of the financial statements.

NOTE 21- COVID-19

The Company, like all enterprises, is currently dealing with the impact of COVID-19 on future prospects. Recent events such as the vaccinations mitigate, but do not eliminate, the possible adverse consequences to the domestic and international economies. However, several new variants have been identified and their impact has yet to be determined.

NOTE 22- IMPACT OF CLIMATE CHANGE

The Financial Stability Board created the Task Force on Climate-related Financial Disclosures (TCFD) to improve and increase reporting of climate-related financial information. The TCFD requires that the impact of climate change upon risk assessment, capital allocation and strategic planning be discussed. Recently, Exxon Mobil has stated that the worldwide climate targets established by the Intergovernmental Panel on Climate Change will not be met. At this time, the impact of the world not meeting its worldwide goals cannot be quantified.

NOTE 23- SUBSEQUENT EVENTS

Pursuant to ASC 855-10, the Company has evaluated all events or transactions that occurred from December 1, 2022 to the date of this report. The Company believes that the following events meet the criterion and require disclosure.

Issuance of debt

On December 1, 2023 The Company has issued a note to Frondeur Partners for services provided. The note is for \$25,000 and carries an interest rate of 10%.

On January 1, 2024 The Company has issued a note to Frondeur Partners for services provided. The note is for \$25,000 and has an interest rate of 10%.

On February 1, 2024 The Company has issued a note to Frondeur Partners for services provided. The note is for \$25,000 and has an interest rate of 10%.

Issuance of shares

The Company issued 30,350,244 shares of Common stock subsequent to the Balance sheet date as follows:

Extinguishment of Preferred stock

Series D <u>Stockholder</u>	<u>Date</u>	<u>Amount</u>	<u>Shares issued</u>
Trillium Partners LP	12/5/23	104	1,300,000
Trillium Partners LP	12/12/23	258	3,225,000
Trillium Partners LP	12/27/23	284	3,550,000
Trillium Partners LP	1/8/24	340	4,250,000
Trillium Partners LP	1/10/24	373	4,662,500
Anvil Financial Management	1/19/24	<u>340</u>	<u>4,250,000</u>
Total		<u>1,699</u>	<u>21,237,500</u>

<u>Creditor</u>	<u>Date</u>	<u>Amount</u>	<u>Shares issued</u>
JP Carey Limited Partners	1/29/24	\$6,000	3,529,411
JP Carey Limited Partners	1/29/24	<u>\$6,700</u>	5,583,333
Total		<u>\$12,700</u>	<u>9,112,744</u>
Total shares issued			<u>30,350,244</u>