

**QUARTERLY REPORT OF**  
**AFFINITY BEVERAGE GROUP, INC.**  
**FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER**  
**30, 2017**

**A NEVADA CORPORATION**

**810 7th Street, NE, # 01244, Washington DC 20002**

**(888) 406-1138**

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## **ITEM 1. EXACT NAME OF THE ISSUER AND ITS PREDECESSORS**

The exact name of the company is Affinity Beverage Group, Inc.

The company was originally incorporated as E Investments, Inc., in the state of Nevada on February 25, 1999. On December 16, 1999, the Company changed its name to Arbor, Inc. On February 19, 2004, the Company changed its name to China Granite Corporation. On June 14, 2006, the Company changed its name to Strategic Rare Earth Metals, Inc. On October 5, 2016 the company officially changed its name to Affinity Beverage Group, Inc.

## **ITEM 2. ADDRESS OF THE ISSUER'S PRINCIPAL EXECUTIVE OFFICES**

### **A. Company Headquarters**

Our principal executive and administrative offices are located at 810 7th Street, NE, # 01244, Washington DC 20002

Email: [info@affinitybeverage.com](mailto:info@affinitybeverage.com)

Website: [www.affinitybeverage.com](http://www.affinitybeverage.com)

### **B. IR Contact**

810 7th Street, NE, # 01244, Washington DC 20002

Phone: (888) 406-1138

Email: [ir@affinitybeverage.com](mailto:ir@affinitybeverage.com)

Website: [www.affinitybeverage.com](http://www.affinitybeverage.com)

### **ITEM 3. SECURITY INFORMATION**

Trading symbol: ABVG

CUSIP: 00831F101

Exact title and class of securities outstanding:

As of September 30, 2017, the capital stock of the company was as follows:

Class: Common stock, \$ 0.001 par value;

Number of shares authorized: 4,970,000,000 shares;

Number of shares outstanding: 4,595,704,157 issued and outstanding;

Freely tradable shares: 3,251,866,693;

Total number of shareholders of record: 248

Class: Preferred stock

Number of shares authorized: 30,000,000 shares;

Number of shares outstanding:

Series A: 500,000

Series D 525

Transfer Agent: Madison Stock Transfer, Inc.  
1688 East 16<sup>th</sup> Street  
Brooklyn, NY 11229

Telephone: (718) 627-4453

FAX: (718) 627-6341

Is the transfer agent registered under the Exchange Act?  
Yes.

List any restrictions on the transfer of security:  
None.

Describe any trading suspension orders issued by the SEC in the past 12 months:  
None.

### **ITEM 4. ISSUANCE HISTORY**

During the current year, the company has issued the following convertible debt:

- a) On January 1, 2017 the Company issued a convertible promissory note in the principal amount of \$5,000 for consulting services; the convertible note matures on February 28, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

- b) On January 6, 2017 the Company issued a convertible promissory note in the principal amount of \$5,000 for proceeds to be used for general corporate purposes; the convertible note matures on January 31, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.
- c) On February 1, 2017 the Company issued a convertible promissory note in the principal amount of \$6,000 for past consulting services; the convertible note matures on February 28, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.
- d) On February 6, 2017, the Company recorded a note for services rendered for \$120,000. The note had been originally issued on August 17, 2015 to Tidepool Ventures Corporation and related to consulting services provided at that time. However, the Company had not recorded this transaction until February 2017. On January 27, 2017, the Note was assigned to J.P. Carey Enterprises, Inc. per a sale and assignment agreement. The Note matures on August 17, 2018, carries a 6% interest rate, and is convertible at a 50% discount to the low closing bid price for the 30 days prior to conversion.
- f) On March 1, 2017 the Company issued a convertible promissory note in the principal amount of \$6,000 for past consulting services; the convertible note matures on April 30, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.
- g) On March 27, 2017 the Company issued a convertible promissory note in the principal amount of \$30,500 for proceeds to be used for general corporate purposes; the convertible note matures on March 31, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.
- h) On April 1, 2017 the Company issued a convertible promissory note in the principal amount of \$6,000 for past consulting services; the convertible note matures on May 31, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.
- i) On May 1, 2017 the Company issued a convertible promissory note in the principal amount of \$6,000 for past consulting services; the convertible note matures on June 30, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.
- j) On May 5, 2017 the Company issued a convertible promissory note in the principal amount of \$15,000 for proceeds to be used for general corporate purposes; the convertible note matures on May 31, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

- k) On May 11, 2017 the Company issued a convertible promissory note in the principal amount of \$10,000 for proceeds to be used for general corporate purposes; the convertible note matures on November 30, 2017 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.
- l) On June 1, 2017 the Company issued a convertible promissory note in the principal amount of \$6,000 for past consulting services; the convertible note matures on July 31, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.
- m) On June 2, 2017 the Company issued a convertible promissory note in the principal amount of \$5,500 for proceeds to be used for general corporate purposes; the convertible note matures on June 30, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.
- n) On June 21, 2017 the Company issued a convertible promissory note in the principal amount of \$2,465 for proceeds to be used for general corporate purposes; the convertible note matures on June 30, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.
- o) On July 1, 2017 the Company issued a convertible promissory note in the principal amount of \$6,000 for past consulting services; the convertible note matures on August 31, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.
- p) On July 27, 2017 the Company issued a convertible promissory note in the principal amount of \$4,000 for proceeds to be used for general corporate purposes; the convertible note matures on July 31, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.
- q) On July 27, 2017 the Company issued a convertible promissory note in the principal amount of \$15,000 for proceeds to be used for general corporate purposes; the convertible note matures on July 31, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.
- r) On July 27, 2017 the Company issued a convertible promissory note in the principal amount of \$30,000 for proceeds to be used for general corporate purposes; the convertible note matures on July 28, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.
- s) On August 1, 2017 the Company issued a convertible promissory note in the principal

amount of \$6,000 for past consulting services; the convertible note matures on September 30, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

- t) On September 1, 2017 the Company issued a convertible promissory note in the principal amount of \$6,000 for past consulting services; the convertible note matures on October 31, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.
- u) On September 13, 2017 the Company issued a convertible promissory note in the principal amount of \$20,000 for proceeds to be used for general corporate purposes; the convertible note matures on September 30, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.
- v) On September 18, 2017 the Company issued a convertible promissory note in the principal amount of \$30,000 for proceeds to be used for general corporate purposes; the convertible note matures on September 30, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.
- w) On September 29, 2017 the Company issued a convertible promissory note in the principal amount of \$25,000 for proceeds to be used for general corporate purposes; the convertible note matures on September 30, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

## ITEM 5. FINANCIAL STATEMENTS:

### Affinity Beverage Group, Inc.

#### Condensed Consolidated Balance Sheets

September 30, 2017 and  
December 31, 2016

(Unaudited)

		September 30 2017	December 31 2016
<b>Assets</b>			
Current assets			
Cash and Cash Equivalents	\$	43,039	\$ -
Net Receivables		13,043	10,593
Inventory		158,000	140,202
Other Current Assets		3,682	-
Deferred financing costs, net of amortization of \$27,938 and \$6,985 at September 30, 2017 and December 31, 2016, respectively		7,062	28,015
Total current assets		224,826	178,810
Non-Current assets			
Long Term Investments			
Goodwill		78,147	-
Other assets		49,130	62,130
Total assets	\$	352,103	\$ 240,940



# Condensed consolidated balance sheet-continued

	September 30 2017	December 31 2016
<b><u>Liabilities and Stockholders' (Deficit)</u></b>		
<b>Current Liabilities</b>		
Accounts payable and Accrued Expenses	\$ 291,080	\$274,192
Other current liabilities	355,283	529,054
Non-convertible short term debt and current portion of long term debt	251,215	245,500
Short term debt-convertible, net of discount of \$163,593 and \$37,316, respectively at September 30, 2017 and December 31, 2016	224,056	8,684
Derivative liability-short term	<u>773,930</u>	<u>92,000</u>
Total current liabilities	1,895,565	1,149,430
<b>Non-Current Liabilities</b>		
Long-term Debt	291,724	339,274
Convertible debt long term, net of discount at 5,591 and 5,577 at September 30, 2017 and December 31, 2017, respectively	409	423
Derivative liability-long term	12,000	12,000
<b>Total Liabilities</b>	<b>2,199,698</b>	<b>1,501,127</b>

# Condensed consolidated balance sheet-continued

	September 30 2017	December 31 2016
<b><u>Liabilities and Stockholders' (Deficit)</u></b>		
Preferred Stock	-	13
Stockholders' (Deficit)		
Common stock, 9,000,000,000 shares authorized, 4,595,704,157 and 1,837,663,132 shares outstanding at September 30, 2017 and December 31, 2016, respectively	4,595,704	1,837,663
Additional paid-in capital	(3,631,237)	(1,366,779)
Accumulated Deficit	<u>(2,810,234)</u>	<u>(1,731,084)</u>
<b>Total stockholders' (deficit)</b>	<b>(1,845,767)</b>	<b>(1,260,199)</b>
Non-controlling interest	<u>(1,829)</u>	
<b>Total Liabilities and Stockholders' Equity</b>	<b><u>\$352,103</u></b>	<b><u>\$240,940</u></b>

**AFFINITY BEVERAGE  
GROUP, INC**  
**Condensed consolidated  
Statements of Income  
For the three months  
ended September 30, 2017  
and 2016  
(Unaudited)**

	<u>Three Months Ended September 30, 2017</u>	<u>Three Months Ended September 30, 2016</u>
<b>Revenues</b>	\$ 2,450	\$ 264
 Cost of Revenues	 <u>1,225</u>	 <u>158</u>
 Gross Profits	 1,225	 106
<b>Operating Expenses</b>		
Compensation Expense	37,500	112,500
Consulting fees	26,000	15,000
Professional Fees	5,982	
General and Administrative expenses	<u>52,234</u>	<u>720</u>
<b>Total Operating Expenses</b>	<b>121,716</b>	<b>128,220</b>
 <b>Operating Income (Loss)</b>	 <u>(120,491)</u>	 <u>(128,114)</u>
 <b>Other Income (Expense)</b>		
Interest expense	(81,414)	(2,980)
Amortization of Deferred Financing Expense	(7,061)	-
Loss on 3a10 program	-	-
Gain/(Loss) on Conversion of Debt	172,506	(64,850)
Write-off of Investment in Parker Technologies		-
Derivative Liability Expense	<u>(116,500)</u>	<u>-</u>
 <b>Total Other (Expense) - net</b>	 <u>(32,469)</u>	 <u>(67,830)</u>

**Condensed consolidated income statement for three months- continued**

**AFFINITY BEVERAGE GROUP, INC**  
**Condensed consolidated Statements of**  
**Income**  
**For the three months ended September 30,**  
**2017 and 2016**  
**(Unaudited)**

	<u>Three Months Ended September 30, 2017</u>	<u>Three Months Ended September 30, 2016</u>
Net Income (Loss)	(152,960)	(195,944)
Net Income (Loss) attributable to non-controlling interest	<u>(2,088)</u>	<u>(2,088)</u>
Net Income (Loss) Common shareholders	<u>\$ (150,872)</u>	<u>\$(193,856)</u>
Net loss per common share - basic and diluted	<u>\$ (0.00)</u>	<u>\$(0.00)</u>
Weighted average number of common shares outstanding	<u>3,926,263,940</u>	<u>1,504,910,819</u>

**AFFINITY BEVERAGE GROUP, INC**  
**Condensed consolidated Statements**  
**of Income**  
**For the three months ended**  
**September 30, 2017 and 2016**  
**(Unaudited)**

	Nine Months Ended September 30, 2017	Nine Months Ended September 30, 2016
<b>Revenues</b>	\$ 6,751	\$ 3,703
 Cost of Revenues	 3,805	 2,221
 Gross Profits	 2,946	 1,482
<b>Operating Expenses</b>		
Compensation Expense	112,500	112,500
Consulting fees	182,000	60,000
Professional Fees	5,982	14,425
General and Administrative expenses	105,421	67,592
<b>Total Operating Expenses</b>	<b>405,903</b>	<b>254,517</b>
 <b>Operating Income (Loss)</b>	 <b>(402,957)</b>	 <b>(253,035)</b>
 <b>Other Income (Expense)</b>		
Interest expense	(227,652)	(9,940)
Amortization of Deferred Financing Expense	(20,877)	-
Loss on 3a10 program	(75,527)	-
Loss on Conversion of Debt	-	(77,850)
Write-off of investment in Parker Technologies	(13,000)	-
Derivative Liability Expense	(340,965)	-
 <b>Total Other (Expense) - net</b>	 <b>(678,021)</b>	 <b>(87,790)</b>
 <b>Net Income (Loss)</b>	 <b>(1,080,979)</b>	 <b>(340,825)</b>

**Condensed consolidated income statement for nine months- continued**

**AFFINITY BEVERAGE GROUP,  
INC  
Condensed consolidated  
Statements of Income  
For the three months ended  
September 30, 2017 and 2016  
(Unaudited)**

	<b>Nine Months Ended September 30, 2017</b>	<b>Nine Months Ended September 30, 2016</b>
<b>Net Income (Loss) attributable to non- controlling interest</b>	<u>(1,829)</u>	<u>-</u>
<b>Net Income (Loss) Common shareholders</b>	<u><b>\$(1,079,150)</b></u>	<u><b>\$(340,825)</b></u>
<b>Net loss per common share - basic and diluted</b>	<u><b>\$ (0.00)</b></u>	<u><b>\$(0.00)</b></u>
<b>Weighted average number of common shares outstanding during the period</b>	<u><b>2,881,320,024</b></u>	<u><b>1,115,503,797</b></u>

**Affinity Beverage Group**  
**Condensed Consolidated Statement of**  
**Cash Flows**  
**For the Nine Months Ended**  
**September 30, 2017 and September 30,**  
**2016**

	<u>Nine months ended September 30, 2017</u>	<u>Nine months ended September 30, 2016</u>
<b>Cash flows from Investing Activities:</b>		
Net income	\$ (1,079,150)	\$ (340,825)
Add:		
Amortization of Deferred Financing Expense	20,877	-
Loss on 3a10 program	75,527	-
Loss on Conversion of Debt	-	77,850
Derivative Liability Expense	340,965	-
Non-controlling interest in Undone Chocolate, Inc.	(1,829)	-
Write-off on Investment in Parker Technologies	13,000	-
Legal expense and accrued interest on debt conversions	19,770	4,198
Amortization of discount on convertible debt	214,674	-
Cash on hand at Village Tea not transferred with merger		(190)
Accrual of Original Issue discount on convertible debt	685	-
Retirement of liabilities through Liabilities purchase agreement	350,722	-
Net cash from Undone Chocolate Acquisition	12,321	-
Net working capital from Undone Chocolate Acquisition	(7,890)	

# Condensed consolidated of Cash flows- continued

	Nine months ended June 30, 2017	Nine months ended September 30, 2016
Changes in components of working capital:		
Changes in Other Assets	171	
Accounts Receivable		(6,210)
Inventory	(9,124)	2,221
Accounts payable and Accrued Expenses	329	11,427
Other current liabilities	(173,771)	130,329
Non-convertible short term debt and current portion of long term debt	(63,590)	
Cash flow from Operating Activities	(286,314)	(121,200)
<b>Cash flows from Investing Activities:</b>		
Purchase of Undone Chocolate, Inc.	(20,000)	
Cash flows from Investing Activities	(20,000)	
<b>Cash flows from Financing Activities</b>		
Cash notes Issued	159,000	116,425
Common stock proceeds, net of retirement of debt		2,481
Consulting notes issued	174,000	
<b>Cash flow from Financing Activities</b>	333,000	118,906



# **Condensed consolidated of Cash flows- continued**

	Nine months ended September 30, 2017	Nine months ended September 30, 2016
Net change in cash	26,686	(2,294)
Cash on hand at beginning of period	<u>16,353</u>	<u>2,294</u>
Cash on hand at end of period	<u>\$ 43,039</u>	<u>\$ -</u>
Supplementary Information:		
Interest Expense paid	<u>\$ -</u>	<u>\$ -</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>
Common stock issued for consulting services	<u>\$ -</u>	<u>\$60,000</u>
Debt discount recorded on issuance of convertible debt	<u>\$333,000</u>	<u>\$116,425</u>

**AFFINITY BEVERAGE GROUP, INC.**  
**SEPTEMBER 30, 2017**  
**NOTES TO FINANCIAL STATEMENTS**

**NOTE 1- NATURE OF OPERATIONS**

**Nature of Operations**

The Company was incorporated in the state of Nevada February, 1999. The Company is a holding company organized with a goal of acquiring and managing a diversified portfolio of profitable, growth-oriented companies.

**NOTE 2- SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

These financial statements are presented in United States dollars and have been prepared in accordance with generally accepted accounting principles in the United States of America.

**NOTE 3- ACQUISITION OF VILLAGE TEA DISTRIBUTORS, INC.**

On October 30, 2015, Affinity Beverage Inc. (the "Company" or "Affinity") entered into an agreement with Accel Brands, Inc. whereby the company issued 131,250 shares of its newly issued Series B Preferred Stock for ownership of the net assets of Village Tea Distributors, Inc. ("Village Tea") at the time, the net assets acquired were as follows:

Cash	\$	190
Accounts Receivable		4,384
Inventory		142,549
Other capitalized costs		<u>49,130</u>
Total tangible assets		
acquired	\$	196,252

Accounts payable and		
Accrued expenses		263,946
Non-convertible debt		220,500
Other short-term debt		25,000
Other current liabilities		<u>361,428</u>
Total liabilities		
acquired	\$	<u>870,874</u>

Net assets acquired    \$ (674,621)

The Company viewed Village Tea to be the legal acquirer and all liabilities were acquired at fair value and no goodwill was recorded

#### NOTE 4 – ACQUISITION OF UNDONE CHOCOLATE INC. AND RECORDING OF GOODWILL

On May 15, 2017, Affinity Beverage Inc. (the “Company” or “Affinity”) entered into an agreement with the ownership of Undone Chocolate, Inc. (“Undone”) whereby the company purchased a 75% ownership interest of Undone for \$20,000. The Company recorded Goodwill for the acquisition of 38,701 as follows:

Purchase Price	\$20,000
Percentage ownership	<u>75%</u>
Total value	26,666
Net equity at time of acquisition	<u>( 51,481)</u>
Goodwill recorded	<u>\$ 78,147</u>

#### NOTE 5: DEFERRED FINANCING COSTS

Associated with the Liability purchase agreement, the Company agreed to issue a \$35,000 note to the purchase. The note was recorded as a deferred financing cost and is being amortized over the life of the note.

As of September 30, 2017 and December 31, 2016, balances are as follows::

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Deferred financing cost	\$ 35,000	\$ 35,000
Accumulated amortization	<u>27,938</u>	<u>6,985</u>
Total	<u>\$ 7,062</u>	<u>\$ 28,015</u>

#### NOTE 6- INVENTORIES

Inventories, as estimated by management, currently consist of inventory at our Village Tea and Undone subsidiaries Inventories are stated at the lower of cost on the first in, first-out method or market. The inventory is comprised as follows:

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Village Tea	\$152,702	\$140,202
Undone Chocolate	<u>5,298</u>	<u>-</u>
Total	<u>\$158,000</u>	<u>\$140,202</u>

Inventories at Village Tea are principally packaging and teas.

Inventories at Undone are raw materials for the manufacture of chocolate

## NOTE 7 – OTHER ASSETS

Other assets are comprised of the following:

	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Capitalized costs	\$ 49,130	49,130
Investment in Parker Technologies	<u>-</u>	<u>13,000</u>
Total	<u>\$ 49,130</u>	<u>\$ 62,130</u>

**Capitalized costs** are costs related to Village Tea which were not expensed.

**Investment in Parker Technologies** was written off in the quarter ended June 30, 2017 as the Company no longer believes this investment will be realized.

## NOTE 8 – SHORT TERM DEBT- NON-CONVERTIBLE

Short-term debt non-convertible is composed of the following at September 30, 2017 and December 31, 2016 respectively:

<u>Creditor</u>	<u>September 30, 2017</u>	<u>December 31, 2016</u>
Trillium Partners (a)	\$ -	\$ 63,500
Dana Pope (b)	157,000	157,000
Legacy Village Tea debt	25,000	25,000
Morton Kavalier (c)	11,450	-
Milton Sender (d)	49,765	-
Kiva Zip Loans(e)	<u>8,000</u>	<u>-</u>
Total	<u>\$ 251,215</u>	<u>\$ 245,500</u>

(a)- The above liabilities are included in the Liabilities Purchase Agreement detailed in *NOTE 12- STOCKHOLDERS' EQUITY*.

(b)- Dana Pope received a judgment on her liability for the full amount

(c)- Morton Kavalier lent the Company \$10,000 on October 28, 2015. The note accrues interest at 10%. This amount includes accrued interest of \$1,450.

(d)- Milton Sender lent the Company \$45,000 on March 31, 2016 All debt accrues interest at 10%. The amount includes accrued interest, net of repayments of \$4,765.

(e) Kiva Zip Loans lent the Company \$8,000 at an interest rate of 8%. All interest has been paid to date.

All of the above notes are payable on demand.

## **NOTE 9- SHORT TERM DEBT- CONVERTIBLE**

During the first nine months of 2017, the Company issued the following notes:

January 1, 2017- the Company issued a note for consulting services for \$6,000. The note matures on February 28, 2018 and carries an interest rate of 10%. The Note is convertible at a 50% discount to the low closing bid price for the 30 days prior to conversion.

January 6, 2017- The Company issued a note to an investor for cash proceeds of \$5,000. The note matures on January 31, 2018 and carries an interest rate of 10%. The Note is convertible at a 50% discount to the low closing bid price for the 30 days prior to conversion. The Note also has a \$1,000 Original Issue discount ("OID") provision associated with it. The OID will be amortized into interest expense over the life of the Note.

February 1, 2017- the Company issued a note for consulting services for \$6,000. The note matures on June 30, 2018 and carries an interest rate of 10%. The Note is convertible at a 50% discount to the low closing bid price for the 30 days prior to conversion.

February 6, 2017- the Company issued a note for services rendered for \$120,000. The note relates to past consulting services from 2015. These services were not recorded on the books of the Company at that time. Thusly, the Company issued a note on this dated to properly reflect the liability owed. The Note matures on August 7, 2018, carries a 6% interest rate, and is convertible at a 50% discount to the low closing bid price for the 30 days prior to conversion.

March 1, 2017- the Company issued a note for consulting services for \$6,000. The note matures on April 30, 2018 and carries an interest rate of 10%. The Note is convertible at a 50% discount to the low closing bid price for the 30 days prior to conversion.

March 27, 2017- The Company issued a note to an investor for cash proceeds of \$30,500. The note matures on June 30, 2018 and carries an interest rate of 15%. The Note is convertible at a 50% discount to the low closing bid price for the 30 days prior to conversion.

On April 1, 2017 the Company issued a convertible promissory note in the principal amount of \$6,000 for past consulting services; the convertible note matures on May 31, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

On May 1, 2017 the Company issued a convertible promissory note in the principal amount of \$6,000 for past consulting services; the convertible note matures on June 30, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

On May 5, 2017 the Company issued a convertible promissory note in the principal amount of \$15,000 for proceeds to be used for general corporate purposes; the convertible note matures on May 31, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

On May 11, 2017 the Company issued a convertible promissory note in the principal amount of \$10,000 for proceeds to be used for general corporate purposes; the convertible note matures on November 30, 2017 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

On June 1, 2017 the Company issued a convertible promissory note in the principal amount of \$6,000 for past consulting services; the convertible note matures on July 31, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

On June 2, 2017 the Company issued a convertible promissory note in the principal amount of \$5,500 for proceeds to be used for general corporate purposes; the convertible note matures on June 30, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

On June 21, 2017 the Company issued a convertible promissory note in the principal amount of \$2,465 for proceeds to be used for general corporate purposes; the convertible note matures on June 30, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

On July 1, 2017 the Company issued a convertible promissory note in the principal amount of \$6,000 for past consulting services; the convertible note matures on August 31, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

On July 27, 2017 the Company issued a convertible promissory note in the principal amount of \$4,000 for proceeds to be used for general corporate purposes; the convertible note matures on July 31, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

On July 27, 2017 the Company issued a convertible promissory note in the principal amount of \$15,000 for proceeds to be used for general corporate purposes; the convertible note matures on July 31, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

On July 27, 2017 the Company issued a convertible promissory note in the principal amount of \$30,000 for proceeds to be used for general corporate purposes; the convertible note matures on July 28, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

On August 1, 2017 the Company issued a convertible promissory note in the principal amount of \$6,000 for past consulting services; the convertible note matures on September 30, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

On September 1, 2017 the Company issued a convertible promissory note in the principal amount of \$6,000 for past consulting services; the convertible note matures on October 31, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

On September 13, 2017 the Company issued a convertible promissory note in the principal amount of \$20,000 for proceeds to be used for general corporate purposes; the convertible note matures on September 30, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

On September 18, 2017 the Company issued a convertible promissory note in the principal amount of \$30,000 for proceeds to be used for general corporate purposes; the convertible note matures on September 30, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

On September 29, 2017 the Company issued a convertible promissory note in the principal amount of \$25,000 for proceeds to be used for general corporate purposes; the convertible note matures on September 30, 2018 with the stated interest rate at 10%. The note is convertible into the Company's common stock at a 50% discount of the lowest closing bid price during the 30 trading days prior to conversion.

Balances at September 30, 2017 are as follows:

<u>Issuance Date</u>	<u>Outstanding Balance</u>	<u>Unamortized Discount</u>	<u>OID</u>	<u>Net value</u>
October 1, 2016	\$ 35,000	\$ 7,061		\$ 27,939
October 17, 2016	5,000	1,045		3,955
November 1, 2016	6,000	1,299		4,701
December 1, 2016	6,000	1,732		4,268
January 1, 2017	6,000	2,142		3,858
January 6, 2017	5,000	1,577	685	4,108
February 1, 2017	6,000	2,582		3,418
February 6, 2017	120,000	-		120,000
March 1, 2017	6,000	2,993		3,007
March 27, 2017	30,500	15,043		15,457
April 1, 2017	6,000	3,430		2,569
May 1, 2017	6,000	3,854		2,146
May 11, 2017	15,000	9,322		5,678
June 1, 2017	6,000	1,708		4,292
June 2, 2017	5,500	3,821		1,679
June 21, 2017	2,465	1,799		666
July 1, 2017	6,000	4,718		1,282
July 27, 2017	4,000	3,296		704
July 27, 2017	15,000	12,357		2,642
July 27, 2017	30,000	24,672		5,328
August 1, 2017	6,000	5,152		847
September 1, 2017	6,000	5,590		409
September 13, 2017	20,000	19,110		890
September 18, 2017	4,500	4,357		147
September 29, 2017	<u>25,000</u>	<u>24,932</u>		<u>68</u>
Total	\$ 392,965	\$ 169,185	685	\$ 224,465
Long term	<u>( 6,000)</u>	<u>( 5,591)</u>	-	<u>( 409)</u>
Short-term	<u>\$ 386,965</u>	<u>\$163,593</u>	<u>\$ 685</u>	<u>\$ 224,056</u>

Balances at December 31, 2016 are as follows:

<u>Issuance Date</u>	<u>Outstanding Balance</u>	<u>Discount</u>	<u>Net value</u>
October 1, 2016	\$ 35,000	\$28,015	\$ 6,985
October 17, 2016	5,000	4,148	852
November 1, 2016	6,000	5,153	847
December 1, 2016	<u>6,000</u>	<u>5,577</u>	<u>423</u>
Total	\$ 52,000	\$ 42,893	\$ 9,107
Long term	<u>(6,000)</u>	<u>(5,577)</u>	<u>( 423)</u>
Short-term	<u>\$ 46,000</u>	<u>\$ 37,316</u>	<u>\$ 8,684</u>



## NOTE 10 – NON- CONVERTIBLE LONG-TERM DEBT

Non-convertible debt related to outstanding debt on the books of Affinity Beverage Group, Inc. prior to the acquisition of Village Tea, Inc. (See note 3, above). At December 31, 2016, the balance owed on such debt was \$339,274. During the nine months ended September 30, 2017, \$47,550 of previously not-convertible debt was sold to a related party who renegotiated the debt into a convertible instrument.

## NOTE 11 – PREFERRED STOCK

### Series A

On August 17, 2015, Janon Costley, CEO of the Company was issued 500,000 shares of Series A Preferred stock. The 500,000 shares of Series A Preferred aggregate approximately 50.1% of the total voting power of all issued and outstanding voting capital of the Company.

### Series B

In order to acquire Village Tea, the Company issued 131,250 shares of Series B Preferred Stock to the former founders and investors of Village Tea. The par value per share is \$.0001 and the stated value is \$4 per share:

In February 2017, the Company cancelled the Series B Preferred stock and issued a similar amount of Series D Preferred stock to the holders of the Series B Preferred stock there is currently no Series B Preferred stock outstanding.

Balances are as follows:

	2017 September 30	2016 December 31
<u>Book Value</u>		
Shares outstanding	-0-	131,250
Par value per share	\$.0001	\$.0001
Book value	<u>\$ -0-</u>	<u>\$ 13</u>

	2017 September 30	2016 December 31
<u>Stated Value</u>		
Shares outstanding	-0-	131,250
Stated value per share	\$ 4	\$ 4
Stated value	<u>0</u>	<u>\$525,000</u>

## Series D

The holders of the Series B Preferred stock exchanged their shares for Series D Preferred stock. The terms are the same except for the following:

- a. Series D is convertible at a 50% discount to the lowest closing bid price over the prior 30 days;
- b. There is a 5% dividend. To date, dividends have been waived.

	2017 September 30	2016 December 31
<u>Book Value</u>		
Shares outstanding	525	-0-
Par value per share	<u>\$ .0001</u>	<u>\$ .0001</u>
Book value	<u>\$ -0-</u>	<u>\$ -</u>

	2017 September 30	2016 December 31
<u>Stated Value</u>		
Shares outstanding	525	-0-
Stated value per share	<u>\$ 1,000</u>	<u>\$ 1,000</u>
Stated value	<u>\$525,000</u>	<u>\$ -0-</u>

## NOTE 12- STOCKHOLDERS' EQUITY

### *Common stock*

The company's capitalization is 9,000,000,000 shares with a par value of \$.001 per share. 8,970,000,000 of such shares shall be common stock and 30,000,000 shares shall be preferred stock. At September 30, 2017 and December 31, 2016, there were 4,595,704,157 and 1,837,663,132 shares outstanding respectively.

### *Liabilities Purchase Agreement and Accounts Payable*

On December 20, 2016, the Circuit Court in the Second Judicial District for Leon County, Florida entered an order approving the stipulation of the parties (the "Stipulation") in the matter of Tarpon Bay Partners ("Tarpon") LLC v. Affinity Beverage, Inc. The Stipulation was done in accordance with Section 3(a)(10) of the Securities Act of 1933. Under the terms of the Stipulation, we agreed to issue to Tarpon, as settlement of certain liabilities owed by us in the aggregate amount of \$350,721.66 (the "Claim Amount"), shares of common stock (the "Settlement Shares"), as well as a promissory note in the principal amount of the \$35,000.00 maturing six months from the date of issuance, as a fee to Tarpon ("Fee Note"). In addition, the Company also issued a promissory note to MD Global Partners of \$7,500.00 under the same terms as the Fee Note. Tarpon had purchased the liabilities from our creditors who were both affiliated and non-affiliated.

Pursuant to the Stipulation entered into by the parties, we agreed to issue to Tarpon, in tranches as necessary, that number of shares of common stock sufficient to generate net proceeds (less a discount of 40%) equal to the Claim Amount, as defined in the Stipulation. The parties reasonably estimated that, should we issue Settlement Shares sufficient to satisfy the entire Claim Amount, the fair market value of such Settlement Shares and all other amounts to be received by Tarpon would equal approximately \$585,000. Notwithstanding anything to the contrary in the Stipulation, the number of shares beneficially owned by Tarpon may not exceed 9.99% of our outstanding shares of common stock at any one time.

The creditors originally in this pool under this agreement are as follows:

Janon Costley	\$	75,000
Madison Stock Transfer Inc.		26,634
Steven Heller		4,000
Curtis Edwards		31,587
Martin Ekechukwu		150,000
Trillium Partners		<u>63,500</u>
Total	\$	<u>350,722</u>

During the nine months ended September 30, 2017, the Company issued 818,167,625 shares to Tarpon pursuant to the program. During the period, all shares were sold and used to retire \$350,722 of liabilities as follows:

Other current liabilities	\$	287,222
Non- convertible short-term debt		<u>63,500</u>
Total retirements	\$	<u>350,722</u>

As of September 30, 2017, the remaining balance is \$-0-

## NOTE 13- SUBSEQUENT EVENTS

### *Issuance of Convertible debt*

The following debt has been issued by the Company after the Balance Sheet date as of the date of this report:

October 1, 2017- the Company issued a note for consulting services for \$6,000. The note matures on August 31, 2018 and carries an interest rate of 10%. The Note is convertible at a 50% discount to the low closing bid price for the 30 days prior to conversion.

November 1, 2017- the Company issued a note for consulting services for \$6,000. The note matures on September 30, 2018 and carries an interest rate of 10%. The Note is convertible at a 50% discount to the low closing bid price for the 30 days prior to conversion.

### *Increase in Authorized Shares*

On October 6, 2017, the Company increased its authorized shares from 5,000,000,000 shares to 9,000,000,000 shares. Of that amount, 8,970,000,000 are common shares.

### *Issuance of Common shares and conversion of debt*

After the Balance Sheet date as of the date of this report, the Company has issued 1,236,550,000 for the retirement of \$41,850 of debt and 45.5 shares of Series D Preferred stock and approximately \$2,000 in fees.

## **ITEM 6. DESCRIBE THE ISSUER'S BUSINESS, PRODUCTS AND SERVICES.**

### **A. DESCRIPTION OF ISSUER'S BUSINESS OPERATIONS.**

The Company has two operating subsidiaries:

Village Tea- (majority owned) Village Tea sources high-quality, unique teas that are blended to create distinct flavor combinations which are packaged in a variety of creative and earth-friendly ways for wholesale and retail sales. The brand is currently available in several major retailers in North America including Vitamin Shoppe®, Whole Foods® Markets, Winners®, HomeSense® Akins/Chamberlin® Natural Foods Markets and many other independent specialty and grocery store retailers. Village Tea products are also available through ecommerce retailers such as Amazon, the company's own website, [www.villageteaco.com](http://www.villageteaco.com) and others.

Undone Chocolate- (majority owned) Undone Chocolate is Washington DC's first craft chocolate maker. It uses directly sourced products (without fats or emulsifiers) that are organic, devoid of gluten and soy and handcrafted from scratch. They provide a product line with diverse flavors at a low price point. The product is healthier than competing commercial products (e.g.- Three Musketeers, Nestle Crunch or Milky Way). Craft Chocolate like craft beer has found a target niche and is currently a \$100 million market and is only five years old. Current products include truffles, almonds, mini bars as well as drinks such as tea and coffee. The product is sold in 130 locations, and in that time, they have sold 55,000 chocolate bars.

### **B. DATE AND STATE OF INCORPORATION**

The Company was incorporated in the State of Nevada on March 2, 2006.

### **C. PRIMARY AND SECONDARY SIC CODES**

The Company's primary (and only) SIC code is 5063 (Holding Companies).

### **D. THE COMPANY'S FISCAL YEAR PERIOD END DATE**

The Company's fiscal three month period ends on December 31.

### **E. PRINCIPAL PRODUCTS OR SERVICES AND THEIR MARKETS**

The Company's product lines are specially steeped teas and a wide array of chocolate products

**F. RESULTS OF OPERATIONS FOR THE PERIOD ENDED SEPTEMBER 30, 2017  
COMPARED TO THE PERIOD ENDED SEPTEMBER 30, 2016:**

All information related to Undone Chocolate relates to the period from May 16 through September 30. This was the time that Undone Chocolate was a part of the Company.

***RESULTS OF OPERATIONS FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2017  
COMPARED TO THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2016:***

**Revenues, cost of goods sold and gross margin**

**Revenues:** The Company had \$2,450 in revenue of for the three month period ended September 30, 2017, compared to \$264 in revenue for the three month period ended September 30, 2016. The increase in revenues was entirely due to the acquisition of Undone Chocolate.

**Cost of Goods sold:** The Company incurred \$1,225 in costs of goods sold for the three month period ended September 30, 2017 compared to \$158 for the three month period ended September 30, 2016. The increase in cost of goods sold was entirely due to the higher revenues from the Undone Chocolate acquisition.

**Gross Profit:** The Company had gross profit of \$1225 for the three month period ended September 30, 2017 compared to \$106 of gross profit for the three month period ended September 30, 2016.

**Operating Expenses**

**Compensation Expense** was \$37,500 and \$112,500, for the three months ended September 30, 2017 and September 30, 2016, respectively. Our Chief Executive, Janon Costley, has a Management contract that pays him \$150,000 per year, \$37,500 per quarter. The contract began on January 1, 2016 but there was no expense recorded in 2016 until the quarter ended September 30.

**Consulting fees** were \$26,000 and \$15,000, for the three months ended September 30, 2017 and September 30, 2016, respectively. Consulting fees in the current quarter were for financial and investor relationship services. In the prior year's period, consulting fees were for one time issuances of shares

**Professional fees** were \$5,982 and \$-0- for the three months ended September 30, 2017 and September 30, 2016, respectively. Professional fees represent expenses incurred upon share conversions and did not exist in the prior quarter.

**General and Administrative expense** was \$52,234 and \$720 for the three months ended September 30, 2017 and September 30, 2016, respectively. The increase was mostly due to increased activity at Village Tea and at the parent company.

## **Other Income (Expense)**

**Interest expense** was (\$81,414) in the current period versus (\$2,980) in the prior period. \$74,615 of the increase was due to the amortization of the discount on derivative securities in the current period. This is a non-cash item.

**Gain/(loss) on conversion of debt** was \$172,506 in the prior period. Current application of accounting pronouncements requires that there be no gain or loss on conversion. Therefore, there is no gain/(loss) in the current period. Losses of (\$64,850) had been reported in the prior period.

**Write-off of Investment in Parker Technologies** was \$13,000. This was an old investment which was written off as it was determined that it had no value.

**Derivative expense** was (\$340,965) in the period ended September 30, 2017 due to the issuance of debt. There was no debt issued in the same period in 2016.

## **Net (Loss)**

The Company produced a net loss for the three month period ended September 30, 2017 of (\$150,872), compared to a net loss of (\$193,856) for the three month period ended September 30, 2016. The main reason for the decreased loss was the change in accounting for debt conversions partially offset by greater amortization of debt and greater derivative liability expense.

## ***RESULTS OF OPERATIONS FOR THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2017 COMPARED TO THE NINE MONTH PERIOD ENDED SEPTEMBER 30, 2016:***

All information related to Undone Chocolate relates to the period from May 16 through September 30. This was the time that Undone Chocolate was a part of the Company.

## **Revenues, cost of goods sold and gross margin**

**Revenues:** The Company had \$6,751 in revenue for the nine month period ended September 30, 2017, compared to \$3,703 in revenue for the nine month period ended September 30, 2016. The increase in revenues was entirely due to the acquisition of Undone Chocolate.

**Cost of Goods sold:** The Company incurred \$3,805 in costs of goods sold for the nine month period ended September 30, 2017 compared to \$2,221 for the nine month period ended September 30, 2016. The increase in cost of goods sold was entirely due to the higher revenues from the Undone Chocolate acquisition.

**Gross Profit:** The Company had gross profit of \$2,946 for the nine month period ended September 30, 2017 compared to \$1,482 of gross profit for the nine month period ended September 30, 2016.

## **Operating Expenses**

**Compensation Expense** was \$112,500 and \$112,500, for the nine months ended September 30, 2017 and September 30, 2016, respectively. Our Chief Executive, Janon Costley, has a Management contract that pays him \$150,000 per year, \$37,500 per quarter. The contract began on January 1, 2016.

**Consulting fees** were \$182,000 and \$60,000, for the nine months ended September 30, 2017 and September 30, 2016, respectively. The increase was due to an accrual for \$120,000 which had been for prior consulting services but had not been accrued. There was \$8,000 in other consulting fees. During the prior period, the company engaged in various ad hoc consulting projects.

**Professional fees** were \$5,982 and \$-0- for the nine months ended September 30, 2017 and September 30, 2016, respectively. Professional fees in the current period represent expenses incurred upon share conversions and did not exist in the prior quarter. Professional fees in the prior period relate to the Village Tea acquisition

**General and Administrative expense** was \$105,421 and \$67,592 for the nine months ended September 30, 2017 and September 30, 2016, respectively. The increase was mostly due to increased activity at Village Tea and at the parent company. Expenses were for transfer agent fees, insurance expenses and other items.

## **Other Income (Expense)**

**Interest expense** was (\$227,652) in the current period versus (\$9,940) in the prior period. \$214,674 of the increase was due to the amortization of the discount on derivative securities in the current period. This is a non-cash item.

**Loss on conversion was debt** was \$77,850 in the prior period. Current application of accounting pronouncements requires that there be no gain or loss on conversion. Therefore, there is no gain/(loss) in the current period.

**Write-off of Investment in Parker Technologies** was \$13,000. This was an old investment which was written off as it was determined that it had no value.

**Derivative expense** was (\$340,965) in the period ended September 30, 2017 due to the issuance of debt. There was no debt issued in the same period in 2016.

## **Net (Loss)**

The Company produced a net loss for the nine month period ended September 30, 2017 of (\$1,079,150), compared to a net loss of (\$340,825) for the nine month period ended September 30, 2016. The main reason for the increase was due to greater amortization of debt and greater derivative liability expense.

## **Liquidity and Capital Resources:**

During the nine month period ended September 30, 2017, the Company utilized \$286,314 in conducting its operations versus a cash utilization of \$121,200 for the nine months ended September 30, 2016

During the nine month period ended September 30, 2017, the Company generated \$333,000 from financing sources versus of \$118,906 for the nine months ended September 30, 2016. The main reason for the increase was the issuance of debt for consulting services plus shares issued through the Liabilities Purchase Agreement. See Note 12 above for more detail.

Since we have approximately \$43,000 in cash, we believe we currently do not have sufficient funds to carry out normal operations over the next six (6) months. Our short and long-term survival is dependent on funding from sales of securities as necessary or from shareholder loans, and thus, to the extent that we require additional funds to support our operations or the expansion of our business, we may attempt to sell additional equity shares or issue debt. Any sale of additional equity securities will result in dilution to our stockholders. There can be no assurance that additional financing, if required, will be available to us or on acceptable terms.

## **G. OFF-BALANCE SHEET ARRANGEMENTS**

The Company did not engage in any off-balance sheet arrangements during the nine months ended September 30, 2017 or September 30, 2016.

## **ITEM 7. DESCRIBE THE ISSUER'S FACILITIES**

At this time the Company does not have any significant tangible assets and is in the process of identifying suitable targets for acquisition. The Company does not own any real estate and leases office space on a month-to-month basis.

## **ITEM 8. OFFICERS, DIRECTORS AND CONTROL PERSONS**

### **A. NAMES OF OFFICERS, DIRECTORS AND CONTROL PERSONS**

The current president and secretary of the Company Janon Costley, was hired on August 17, 2015. Mr. Janon Costley is the chairman and sole current member of the Board of Directors of the Company. Mr. Costley is the owner of the 500,000 shares of Series A preferred stock. The 500,000 shares of Series A Preferred aggregate approximately 50.1% of the total voting power of all issued and outstanding voting capital of the Company.



## B. LEGAL/DISCIPLINARY HISTORY

Please identify whether any of the foregoing persons have, in the last five three month periods, 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):

NO.

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:

NO.

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:

NO.

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:

NO.

## C. BENEFICIAL SHAREHOLDERS

Mr. Costley is the owner of 500,000 shares of Series A Preferred aggregate approximately 50.1% of the total voting power of all issued and outstanding voting capital of the Company.

The beneficial owners of the Series D Preferred stock are as follows:

<u>Owner</u>	<u>Shares</u>	<u>Ownership</u>
Martin Ekechukwu	135	26%
Curtis Edwards	150	29%
Trillium Partners LP	127.5	24%
DC Brands, Inc.	<u>112.5</u>	<u>21%</u>
Total	<u>525</u>	<u>100%</u>

## **ITEM 9. THIRD PARTY PROVIDERS**

### **A. Legal Counsel**

Matheau J.W. Stout  
400 E. Pratt Street  
Eighth Floor  
Baltimore MD, 21202

Tel: (410) 429-7076

### **B. Accountant or Auditor**

None

### **C. Investor Relations Consultant**

### **D. Other Advisor(s)**

Martin Ekechukwu

## **ITEM 10. OTHER INFORMATION**

On August 17, 2015, Bill Schaefer resigned from his positions as CEO and director and Janon Costley was appointed elected to the Board of Directors and hired as the new CEO. It is the intention of new management to change the business direction of the company into a different and more profitable industry after first completing an internal reorganization.

On November 5, 2015, the Company entered into an agreement with Accelpath, Inc., to acquire its wholly-owned subsidiary, Village Tea Company Distribution, Inc., in equity exchange. Village Tea Company Distribution, Inc., sources high quality, unique teas that are blended to create distinct flavor combinations which are packaged in a variety of creative and earth-friendly ways for wholesale and retail sales. The brand has been sold in several major retailers in North America including Vitamin Shoppe, Whole Foods and many other independent specialty and grocery store retailers. Its products are also available through e-commerce retailers such as Amazon and the company's own website: [www.villageteaco.com](http://www.villageteaco.com).

On April 12, 2016, the Company received final approval from FINRA to change the name of the Company to Affinity Beverage Group, Inc., with a new trading symbol of ABVG and a new CUSIP number of 00831F101. The change is effective April 13, 2016, and will be reflected in future filings after that date.

On April 1, 2016, the Company's wholly owned subsidiary, Village Tea Company Distribution, Inc executed a multi-three month period supply agreement with Sodexo Operations, LLC to become an approved supply partner/vendor of Sodexo and its affiliates.

On May 6, 2016 the Company's wholly owned subsidiary, Village Tea Company Distribution Inc., renewed its national minority certification with the Capital Region of the National Minority Supplier Development Council (NMSDC).

On June 9, 2016 the company's wholly owned subsidiary, Village Tea Company Distribution, Inc entered into a commission based sales brokerage agreement with Artisanal Edge. LLC d.b.a. Jawaea Frozen Desserts to provide sale broker and business services for its Jawaea brand of vegan, non-dairy ice cream.

On June 29th, the company's wholly owned subsidiary, Village Tea Company Distribution, Inc entered into a binding memorandum of understanding with Undone Chocolate for the purposes of identifying potential projects (the "Projects") that the parties, each employing their unique areas of expertise, can collectively develop, capitalize, monetize, and exploit, specifically co-branded chocolate bars, teas and other related opportunities.

On August 22, 2016, the Company's wholly owned subsidiary, Village Tea Company Distribution, Inc executed a supply agreement to become an approved supply partner/vendor Carnival Corporation and each operating company of Carnival Corporation and/or Carnival plc.

On February 22, 2017 the Company entered into an LOI with Undone Chocolate, LLC to acquire a controlling interest in the company.

On March 24, 2017 the Company the DTC Chill restriction was removed and the Company is now DWAC/FAST eligible

On May 18, 2017 the Company acquired a controlling interest in Undone Chocolate, LLC, making it a wholly owned subsidiary of Affinity Beverage Group, LLC

On September 1, 2017 the Company entered to a Term Sheet with Michael Rosenthal to acquire 100% of Artisanal Edge, LLC, the owner of Jawaea non-dairy Ice Cream .

On September 25, 2017 the Company's wholly owned subsidiary Village Tea Company Distribution, Inc established a new entity, Village Tea Direct, LLC, for the purposes of owning and operating Village Tea Company branded retail stores.

On October 6, 2017 the Company increased its authorized shares to 9,000,000,000 in total.

## **ITEM 11. EXHIBITS**

N/A

## **ITEM 12. CERTIFICATIONS**

I, Janon Costley, certify that:

1. I have reviewed this quarterly disclosure statement of Affinity Beverage 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.

/s/Janon Costley

Janon Costley, CEO

Dated: November 21, 2017