**UNITED STATES**
**SECURITIES AND EXCHANGE COMMISSION**
**Washington, D.C. 20549**

**Form 10-Q**

(Mark One)

[X] QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **June 30, 2016**

or

[ ] TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ______________ to ______________

Commission File Number **000-55254**

**Baristas Coffee Company, Inc.**
(Exact name of registrant as specified in its charter)

| | |
|---|---|
| **Nevada** | **20-3118202** |
| (State or other jurisdiction of incorporation or organization) | (IRS Employer Identification No.) |
| **411 Washington Ave. N. Kent, WA** | **98032** |
| (Address of principal executive offices) | (Zip Code) |

**(800) 988-7735**
(Registrant’s telephone number, including area code)

**N/A**
(Former name, former address and former fiscal year, if changed since last report)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

[ ] YES [X] NO

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

[X] YES [ ] NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a small reporting company. See the definitions of “large accelerated filer”, “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | [ ] | Accelerated filer | [ ] |
| Non-accelerated filer | [ ] (Do not check if a smaller reporting company) | Smaller reporting company | [X] |

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act)

[ ] YES [X] NO

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY
PROCEEDINGS DURING THE PRECEDING FIVE YEARS

Check whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Exchange Act after the distribution of securities under a plan confirmed by a court.

[ ] YES [ ] NO

APPLICABLE ONLY TO CORPORATE ISSUERS

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date.

84,625,137 common shares issued and outstanding as of January 23, 2017

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## PART I - FINANCIAL INFORMATION

**Item 1. Financial Statements**

**Baristas Coffee Company Inc.**
**Interim Balance Sheets**
**(Unaudited)**

| | | June 30, 2016 | | December 31, 2015 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **Current Assets** | | | | |
| Cash | $ | 9,572 | $ | - |
| Inventory | | 20,496 | | 20,496 |
| Prepaid expenses | | 10,283 | | 3,434 |
| Total Current Assets | | 40,351 | | 23,930 |
| | | | | |
| Loan receivable | | 276,014 | | 296,308 |
| Marketable securities | | 44 | | 4,555 |
| Property & equipment, net | | 281,438 | | 74,355 |
| Goodwill | | 2,770,651 | | 2,770,651 |
| Intangible assets, net | | 128,042 | | 148,417 |
| Other assets | | 8,650 | | 8,650 |
| **TOTAL ASSETS** | $ | 3,505,190 | $ | 3,326,866 |
| | | | | |
| **LIABILITIES AND STOCKHOLDERS' DEFICIT** | | | | |
| **Current Liabilities** | | | | |
| Bank overdraft | $ | - | $ | 2,276 |
| Accounts payable and accrued liabilities | | 1,383,826 | | 1,441,798 |
| Notes payable - related parties | | 492,917 | | 579,431 |
| Notes payable | | 180,250 | | 259,850 |
| Total Current Liabilities | | 2,056,993 | | 2,283,355 |
| | | | | |
| **STOCKHOLDERS' EQUITY** | | | | |
| Preferred Stock, $0.001 par value, 30,000,000 shares authorized: | | | | |
| Series A Preferred Stock, $0.001 par value, 30,000,000 shares authorized, 27,328,358 and 27,328,358 shares issued and outstanding, respectively | | 27,328 | | 27,328 |
| Common Stock, $0.001 par value, 600,000,000 shares authorized; 71,029,052 and 37,204,585 shares issued and outstanding, respectively | | 71,029 | | 37,205 |
| Additional paid-in capital | | 14,087,855 | | 12,364,914 |
| Accumulated deficit | | (12,736,079) | | (11,141,847) |
| Accumulated other comprehensive loss | | (1,936) | | (159,425) |
| Total Baristas Coffee Company Inc. stockholders' equity | | 1,448,197 | | 1,128,175 |
| Noncontrolling interest | | - | | (84,664) |
| Total equity | | 1,448,197 | | 1,043,511 |
| **TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY** | $ | 3,505,190 | $ | 3,326,866 |

***The notes are an integral part of these financial statements.***

## Baristas Coffee Company Inc.
## Interim Statements of Operations and Comprehensive Loss
## (Unaudited)

| | Three Months Ended June 30, 2016 | Three Months Ended June 30, 2015 | Six Months Ended June 30, 2016 | Six Months Ended June 30, 2015 |
|---|---|---|---|---|
| Revenues | $ 147,715 | $ 322,054 | $ 414,260 | $ 654,038 |
| **OPERATING EXPENSES** | | | | |
| Direct costs | 9,880 | 111,680 | 91,954 | 230,949 |
| Compensation | 73,208 | 158,389 | 187,313 | 305,980 |
| Depreciation and amortization | 14,688 | 39,367 | 34,357 | 83,477 |
| General and administrative | 81,727 | 115,762 | 168,072 | 229,878 |
| Professional expenses | 48,168 | 27,306 | 59,377 | 72,324 |
| Stock-based compensation | 102 | 85,825 | 282,602 | 205,175 |
| Total Operating Expenses | 227,773 | 538,329 | 823,675 | 1,127,783 |
| OPERATING LOSS | (80,058) | (216,275) | (409,415) | (473,745) |
| **OTHER (INCOME) EXPENSE** | | | | |
| Beneficial conversion fee | 38,000 | 80,600 | 107,500 | 202,100 |
| Impairment of marketable securities | - | - | - | 1,620,230 |
| Gain on disposal of subsidiary | (664,959) | - | (664,959) | - |
| Impairment of goodwill | - | - | - | - |
| Interest expense (recovery) | 167,628 | 175,848 | 176,917 | 199,391 |
| Loss on loan settlement | 452,380 | - | 942,296 | - |
| Gain on disposal of assets | | | (261,094) | - |
| Realized loss on sales of marketable securities | - | (40,853) | 155,588 | (14,683) |
| Total Other Expenses | (6,951) | 215,595 | 456,248 | 2,007,038 |
| **NET LOSS** | (73,107) | (431,870) | (865,663) | (2,480,783) |
| Net loss attributable to the noncontrolling interest | - | 14,273 | - | 29,943 |
| **NET LOSS ATTRIBUTABLE TO THE SHAREHOLDERS OF BARISTAS COFFEE COMPANY INC.** | (73,107) | (417,597) | (865,663) | (2,450,840) |
| **OTHER COMPREHENSIVE INCOME (LOSS)** | | | | |
| Impairment of marketable securities | - | - | - | 1,620,230 |
| Realized gain on marketable securities | - | - | 157,500 | - |
| Unrealized gain (loss) on marketable securities | - | (42,920) | (11) | (39,164) |
| **NET OTHER COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO THE SHAREHOLDERS OF BARISTAS COFFEE COMPANY INC.** | - | (42,920) | 157,489 | 1,581,066 |
| **NET LOSS AND OTHER COMPREHENSIVE LOSS ATTRIBUTABLE TO THE SHAREHOLDERS OF BARISTAS COFFEE COMPANY INC.** | $ (73,107) | $ (460,517) | $ (708,174) | $ (869,774) |
| Basic and Diluted Loss per Common Share | $ (0.00) | $ (0.02) | $ (0.02) | $ (0.08) |
| Basic and Diluted Weighted Average Common Shares Outstanding | 59,044,249 | 29,928,600 | 49,968,689 | 29,898,728 * |

***The notes are an integral part of these financial statements.***

## Baristas Coffee Company Inc.
## Interim Statements of Cash Flows
## (Unaudited)

| | Six Months Ended | | | |
|---|---|---|---|---|
| | | June 30, 2016 | | June 30, 2015 |
| **CASH FLOWS FROM OPERATING ACTIVITIES** | | | | |
| Net loss | $ | (708,174) | $ | (2,450,840) |
| Adjustment to reconcile net loss to net cash provided by operations: | | | | |
| Beneficial Conversion Fee | | 107,500 | | 202,100 |
| Depreciation and amortization | | 34,357 | | 83,477 |
| Fair value adjustment on shareholder loan | | - | | - |
| Impairment loss on marketable securities | | - | | 1,620,230 |
| Impairment of goodwill | | - | | - |
| Realized loss on sales of marketable securities | | 155,588 | | (14,683) |
| Minority interest in net loss of consolidated entities | | 84,664 | | (29,943) |
| Gain on disposal of subsidiary | | (664,959) | | |
| Loss on loan settlment | | 942,296 | | - |
| Realized gain on marketable securities | | 157,500 | | - |
| Stock-based and non-cash compensation | | 282,602 | | 205,175 |
| Changes in operating assets and liabilities: | | | | |
| Accounts receivable | | - | | (2,309) |
| Inventory | | - | | 128 |
| Prepaid | | (6,849) | | 6,180 |
| Other assets | | - | | (201) |
| Accounts payable and accrued liabilities | | (70,344) | | 180,407 |
| Net cash from (used in) operating activities | | 314,181 | | (200,279) |
| **CASH FLOWS FROM INVESTING ACTIVITIES** | | | | |
| Purchase of property and equipment | | - | | (4,353) |
| Gain on disposal of assets | | (261,094) | | - |
| Proceeds from sale of marketable securities | | 6,412 | | - |
| Net cash provided by (used in) investing activities | | (254,682) | | (4,353) |
| **CASH FLOWS FROM FINANCING ACTIVITIES** | | | | |
| Bank overdraft | | (2,276) | | - |
| Proceeds from issuance of notes payable | | 68,000 | | 102,100 |
| Repayment on notes payable | | (10,438) | | (5,682) |
| Proceeds from issuance of shareholder loans | | 44,000 | | 90,000 |
| Repayment on shareholder loans | | (149,212) | | (5,000) |
| Net cash provided by financing activities | | (49,926) | | 181,418 |
| **Net increase in cash and cash equivalents** | | 9,572 | | (23,214) |
| **Cash and cash equivalents - beginning of period** | | - | | 21,471 |
| **Cash and cash equivalents - end of period** | $ | 9,572 | $ | (1,743) |
| **Supplemental Cash Flow:** | | | | |
| Cash paid for interest | $ | - | $ | - |
| Cash paid for income taxes | $ | - | $ | - |
| **Non-cash investing and financing activities:** | | | | |
| Common shares issued for accrued interest | $ | 10,438 | $ | 13,193 |
| Notes payable settled by common shares | $ | - | $ | 47,000 |
| Shareholder loans settled by common shares | $ | 147,600 | $ | 155,000 |
| Common shares issued and accrued for share-based compensation | $ | 282,602 | $ | - |

***The notes are an integral part of these financial statements.***

**Baristas Coffee Company Inc.**
**Notes to Interim Financial Statements**
**June 30, 2016**
**(Unaudited)**

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

***Description of Business***

Baristas Coffee Company, Inc. ("Baristas" "The Company") is a Nevada C Corporation that was originally formed as InfoSpi.com on October 18, 1996. On December 22, 2009, it acquired greater than a 60% interest in Pangea Networks, Inc. ("Pangea")/ DBA Baristas and Inc., and it acquired for cash, stock, and other consideration, numerous coffee stands in the greater Seattle area through the acquisition of Pangea; In May of 2010, the Company changed its name to Baristas Coffee Company, Inc. The Company's fiscal year end is December 31.

Baristas operates a specialty drive-through beverage retailer with attractive female theme-costumed models as servers. Baristas provides its customers the ability of drive up and order their choice of a custom-blended espresso drink, freshly brewed coffee, or other beverages. We generate revenue by offering our patrons the finest hot and cold beverages, specializing in specialty coffees, blended teas and other custom drinks. In addition, we offer smoothies, fresh-baked pastries and other confections.

***Basis of Presentation***

The Company prepares its financial statements in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The accompanying interim unaudited financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information in accordance with Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the Company's opinion, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the six months ended June 30, 2016 are not necessarily indicative of the results for the full years. While management of the Company believes that the disclosures presented herein are adequate and not misleading, these interim financial statements should be read in conjunction with the combined financial statements and the footnotes thereto for the year ended December 31, 2015.

***Reclassifications***

Certain prior year amounts have been reclassified to conform with the current year presentation for comparative purposes.

***Estimates and Assumptions***

Preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Examples include, but are not limited to, estimates for asset and goodwill impairments, stock-based compensation forfeiture rates, future asset retirement obligations, and inventory reserves; assumptions underlying self-insurance reserves and income from unredeemed stored value cards; and the potential outcome of future tax consequences of events that have been recognized in the financial statements. Actual results and outcomes may differ from these estimates and assumptions.

***Financial Instruments***

***Cash and Cash Equivalents***

The Company considers all highly liquid investments with original maturities of three months or less to be cash equivalents. At June 30, 2016 and December 31, 2015, the Company had $9,572 and $0 cash, respectively.

***Marketable Securities***

The Company's marketable equity securities have been classified and accounted for as available-for-sale. Management determines the appropriate classification of its investments at the time of purchase and reevaluates the designations at each balance sheet date. The Company classifies its marketable equity securities as either short-term or long-term based on the nature of each security and its availability for use in current operations. The Company's marketable equity securities are carried at fair value, with the unrealized gains or losses reported as a component of shareholder's equity except impairment.

Adjustments resulting from the change in fair value, included in accumulated other comprehensive income in shareholder's equity, were an unrealized loss on marketable securities of $11 and a realized gain on marketable securities of $157,500 for the six months ended June 30, 2016, and an unrealized loss on marketable securities of $39,164 for the six months ended June 30, 2015, respectively.

### *Fair Value of Financial Instruments*

The carrying amount of the Company's cash, accounts payables and accrued liabilities approximates their estimated fair values due to the short-term maturities of those financial instruments.

The Company has adopted a single definition of fair value, a framework for measuring fair value, and providing expanded disclosures concerning fair value whereby estimated fair value is the price to be paid for an asset or the amount to settle a liability in an orderly transaction between market participants at the measurement date. Accordingly, fair value is a market-based measurement and not an entity-specific measurement.

The Company utilizes the following hierarchy in fair value measurements:

Level 1 – Inputs use quoted prices in active markets for identical assets or liabilities that the Company has the ability to access.

Level 2 – Inputs use other inputs that are observable, either directly or indirectly. These inputs include quoted prices for similar assets and liabilities in active markets as well as other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3 – Inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability.

| | As at June 30, 2016<br>Fair Value Measuring Using | | | | |
|---|---|---|---|---|---|
| | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
| Investments in Marketable Securities, available-for-sale | $ 44 | $ 44 | - | - | $ 44 |
| Total | $ 44 | $ 44 | - | - | $ 44 |

| | As at December 31, 2015<br>Fair Value Measuring Using | | | | |
|---|---|---|---|---|---|
| | Carrying Value | Level 1 | Level 2 | Level 3 | Total |
| Investments in Marketable Securities, available-for-sale | $ 4,555 | $ 4,555 | - | - | $ 4,555 |
| Total | $ 4,555 | $ 4,555 | - | - | $ 4,555 |

### *Inventories*

Inventories are stated at the lower of cost or market. Cost is computed using weighted average cost, which approximates actual cost, on a first-in, first-out basis. Inventories on hand are evaluated on an on-going basis to determine if any items are obsolete or in excess of future needs. Items determined to be obsolete are reserved for. The Company provides for the possible inability to sell its inventories by providing an excess inventory reserve. As at June 30, 2016 and December 31, 2015, the Company determined that no reserve was required.

### *Property, Plant and Equipment*

Property, plant and equipment are carried at cost less accumulated depreciation. Cost includes all direct costs necessary to acquire and prepare assets for use, including internal labor and overhead in some cases. Depreciation of property, plant and equipment, which includes assets under capital leases, is provided on the straight-line method over estimated useful lives, generally ranging from 3 to 5 years for equipment and 5 years for buildings. Leasehold improvements are amortized over the shorter of their estimated useful lives or the related lease life, generally 5 years. For leases with renewal periods at our option, we generally use the original lease term, excluding renewal option periods, to determine estimated useful lives. If failure to exercise a renewal option imposes an economic penalty to us, we may determine at the inception of the lease that renewal is reasonably assured and include the renewal option period in the determination of the appropriate estimated useful lives. The costs of repairs and maintenance are expensed when incurred, while expenditures for refurbishments and improvements that significantly add to the productive capacity or extend the useful life of an asset are capitalized. When assets are retired or sold, the asset cost and related accumulated depreciation are eliminated with any remaining gain or loss recognized in net earnings.

### *Goodwill*

We test goodwill for impairment on an annual basis, or more frequently if circumstances, such as material deterioration in performance or a significant number of store closures, indicate reporting unit carrying values may exceed their fair values.

When evaluating goodwill for impairment, we may first perform a qualitative assessment to determine if the fair value of the reporting unit is more likely than not greater than its carrying amount. If we do not perform a qualitative assessment or if the fair value of the reporting unit is not more likely than not greater than its carrying amount, we calculate the implied estimated fair value of the reporting unit. If the carrying amount of goodwill exceeds the implied estimated fair value, an impairment charge to current operations is recorded to reduce the carrying value to the implied estimated fair value. There were no goodwill impairment charges recorded during the periods ended June 30, 2016 and 2015.

***Other Intangible Assets***

Definite-lived intangible assets, which mainly consist of acquired rights, trade secrets, trademarks and copyrights, are amortized over their estimated useful lives, and are tested for impairment when facts and circumstances indicate that the carrying values may not be recoverable. There were no intangible asset impairment charges recorded during the periods ended June 30, 2016 and 2015.

***Long-lived Assets***

Long-lived assets such as property, equipment and identifiable intangibles are reviewed for impairment whenever facts and circumstances indicate that the carrying value may not be recoverable. When required impairment losses on assets to be held and used are recognized based on the fair value of the asset. The fair value is determined based on estimates of future cash flows, market value of similar assets, if available, or independent appraisals, if required. If the carrying amount of the long-lived asset is not recoverable from its undiscounted cash flows, an impairment loss is recognized for the difference between the carrying amount and fair value of the asset. When fair values are not available, the Company estimates fair value using the expected future cash flows discounted at a rate commensurate with the risk associated with the recovery of the assets. We did not recognize any impairment losses for any periods presented.

***Revenue Recognition***

The Company's revenues consist of sales by Company-operated coffee stores.

Revenues are presented net of intercompany eliminations for investees controlled by us. Additionally, revenues are recognized net of any discounts, returns, allowances and sales incentives, including coupon redemptions and rebates. Company-operated stores revenues are recognized when payment is tendered at the point of sale. Company-operated store revenues are reported net of sales, use or other transaction taxes that are collected from customers and remitted to taxing authorities. All revenue is recognized when (i) persuasive evidence of an arrangement exists; (ii) the service or sale is completed; (iii) the price is fixed or determinable; and (iv) the ability to collect is reasonably assured.

***Marketing & Advertising***

Advertising costs are expensed as incurred. Advertising costs totaled $8,240 and $23,370 for the period ended June 30, 2016 and 2015, respectively.

***Stock-based Compensation***

The Company accounts for employee stock-based compensation to employees, including grants of employee stock options, based on their fair values. The fair value of the equity instrument is charged directly to compensation expense and credited to additional paid-in capital over the period during which services are rendered.

Stock options and warrants issued to consultants and other non-employees are accounted for based upon the fair value of the services provided or the estimated fair market value of the option or warrant, whichever can be more clearly determined.

Stock-based expenses to employees and consultants for general and administration services totaled $282,602 and $205,175, for the period ended June 30, 2016 and 2015, respectively.

***Earnings per Share***

Basic earnings per common share equal net earnings or loss divided by the weighted average of shares outstanding during the reporting period. Diluted earnings per share reflects the potential dilution that could occur if stock options and other commitments to issue common stock were exercised or equity awards vest resulting in the issuance of common stock that could share in the earnings of the Company. The Company incurred a net loss for periods ended June 30, 2016 and 2015, respectively and therefore, basic and diluted earnings per share for those periods are the same because all potential common equivalent shares would be anti-dilutive.

As at June 30, 2016, convertible shareholder loans of $492,917, convertible notes payable of $180,250 and 27,328,358 shares of preferred stock were considered to be anti-dilutive.

***Recent Accounting Pronouncements***
In May 2014, the Financial Accounting Standards Board issued guidance codified in Accounting Standards Codification ("ASC") 606, "Revenue Recognition - Revenue from Contracts with Customers," which amends the guidance in ASC 605, "Revenue Recognition," and becomes effective beginning January 1, 2017. The Company is currently evaluating the impact of the provisions of ASC 606.

Accounting standards that have been issued by the FASB or other standards setting bodies that do not require adoption until a future date are being evaluated by the Company to determine whether adoption will have a material impact on the Company's financial statements.

**NOTE 2 – GOING CONCERN**

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the liquidation of liabilities in the normal course of business. As at June 30, 2016, the Company has a loss from operations of $865,663 and an accumulated deficit of $12,736,079. The Company intends to fund operations through equity financing arrangements, which may be insufficient to fund its capital expenditures, working capital and other cash requirements for the year ending December 31, 2016.

The ability of the Company to fully commence its operations is dependent upon, among other things, obtaining additional financing to continue operations, and execution of its business plan. In response to these concerns, management intends to raise additional funds through public or private placement offerings and through loans from officers and directors.

These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty. There can be no assurance that management's plan will be successful.

**NOTE 3 – INVENTORY**

Inventories were comprised of:

| | June 30, 2016 | December 31, 2015 |
|---|---|---|
| Coffee and merchandise held for sale | $ 20,496 | $ 20,496 |

**NOTE 4 – MARKETABLE SECURITIES**

The following tables show the Company's available-for-sale security as of June 30, 2016 and December 31, 2015. The fair value for Reeltime Rentals, Inc ("RLTR") is based on closing market price as at June 30, 2016 and December 31, 2015, respectively. The fair value of Business Continuity Systems, Inc. (BUCS) is based on a 100% valuation allowance to the market price due to limited information and activity.

***June 30, 2016***

| | Cost | Sold | Realized Losses | Unrealized Losses | Fair Value |
|---|---|---|---|---|---|
| RLTR – 21,460,000 common shares | $ 2,006,510 | $ 27,200 | $ 1,977,330 | $ 1,936 | $ 44 |
| BUCS – 2,576,389 common shares | - | - | - | - | - |
| Total | $ 2,006,510 | $ 27,200 | $ 1,977,330 | $ 1,936 | $ 44 |

***December 31, 2015***

| | Cost | Sold | Realized Losses | Unrealized Losses | Fair Value |
|---|---|---|---|---|---|
| RLTR – 21,460,000 common shares | $ 2,006,510 | $ 22,700 | $ 1,819,830 | $ 159,425 | $ 4,555 |
| BUCS – 2,576,389 common shares | - | - | - | - | - |
| Total | $ 2,006,510 | $ 22,700 | $ 1,819,830 | $ 159,425 | $ 4,555 |

**NOTE 5 – PROPERTY, PLANT AND EQUIPMENT, NET**

| | June 30, 2016 | December 31, 2015 |
|---|---|---|
| Buildings and leaseholds | $ 215,000 | $ 302,963 |
| Machinery and equipment | 70,000 | 179,353 |
| Computer equipment | - | 6,400 |
| Furniture and fixtures | - | 9,065 |
| Property, plant and equipment, gross | 285,000 | 497,781 |
| Less accumulated depreciation | (3,562) | (423,426) |
| Property, plant and equipment, net | $ 281,438 | $ 74,355 |

The Company recorded $13,982 and $61,852 depreciation for the periods ended June 30, 2016 and 2015, respectively.

**NOTE 6 – INTANGIBLE ASSETS AND GOODWILL**

| | June 30, 2016 | December 31, 2015 |
|---|---|---|
| Goodwill | $ 2,770,651 | $ 2,770,651 |

| | June 30, 2016 | December 31, 2015 |
|---|---|---|
| Trademarks | $ 100,000 | $ 100,000 |
| Logo | 80,000 | 80,000 |
| Website | 27,500 | 27,500 |
| Policies and procedures | 10,000 | 10,000 |
| Ice cream intangibles | 125,000 | 125,000 |
| | 342,500 | 342,500 |
| Accumulated amortization | (214,458) | (194,083) |
| Definite-lived intangibles, net | 128,042 | 148,417 |
| Total intangible assets | $ 2,898,693 | $ 2,919,068 |

The Company recorded $20,375 and $21,625 amortization for the periods ended June 30, 2016 and 2015, respectively.

***Goodwill***
The intangible assets were purchased along with the hard assets, in December 2009, for $3.5 million in our common stock. After the assets and intangible assets were identified, the remaining $2,770,651 was recorded as goodwill. The Company does not amortize goodwill. Instead, the Company evaluates goodwill annually in the fourth quarter and whenever events or changes in circumstances indicate that it is more likely than not that an impairment loss has been incurred.

As at June 30, 2016 and December 31, 2015, the Company determined that no such impairment existed based on the following financial and non-financial considerations:

- As at December 31, 2015 the company's market capitalization was approximately $4,000,000 and has historically exceeded goodwill.

- Management has been actively building brand awareness through obtaining a brand patent, establishing multiple locations, periphery product branding, and development of a pilot TV episode.

- The Company is expanding into additional product lines and actively developing additional sources of revenues.

**NOTE 7 – RELATED PARTY TRANSACTIONS**

*Accounts Payable*
Prior to December 31, 2015, the Company granted 10,000,000 shares to two officers of the Company (5,000,000 shares each) for their services with a value of $222,100. During the six months ended June 30, 2016, the 10,000,000 shares were

issued and the Company granted another 2,500,000 shares to two officers of the Company (1,250,000 shares each) for their services with a value of $282,500. These shares were not yet issued as at June 30, 2016 and the amounts due to these officers were recorded as accrued liabilities.

*Loan Receivable*

The Company has a receivable from a related party for services in prior years. Balance of this loan receivable with accrued interest was $276,014and $296,308 as at June 30, 2016 and December 31, 2015. The Company will evaluate the collectability of the loan quarterly. During the periods ended June 30, 2016 and 2015, the Company recognized $6,706 and $0 interest income.

*Shareholder loans*

The Company has issued a number of notes with various maturities dates to related parties for advances. These notes are convertible either at a fixed dollar amount or 50% of market price and accrue interest at an average rate of 8% per annum. Due to the short-term nature of these loans they are recorded as current liabilities. The outstanding balances at June 30, 2016 and December 31, 2015 were $492,917 and $579,431, respectively. The Company plans to pay the loans back as cash flows become available. During the periods ended June 30, 2016, and 2015, the Company recognized $76,500 and $90,000 beneficial conversion fee on convertible shareholder loans, respectively.

**NOTE 8 – NOTE PAYABLE**

The Company has issued a number of notes with various maturities dates to unrelated parties. These notes are convertible at a fixed dollar amount and accrue interest at 8% per annum. Due to the short-term nature of these loans they are recorded as current liabilities. The outstanding balances at June 30, 2016 and December 31, 2015 were $180,250 and $259,850, respectively. During the periods ended June 30, 2016 and 2015, the Company recognized a $68,000 and $112,100 beneficial conversion fee on convertible loans from un-related parties, respectively.

**NOTE 9 – STOCKHOLDER’S EQUITY**

***Preferred Stock***

The Company has authorized 30,000,000 preferred shares with a par value of $0.001 per share. Board of Directors are authorized to divide the authorized shares of Preferred Stock into one or more series, each of which shall be so designated as to distinguish the shares thereof from the shares of all other series and classes. The entire 30,000,000 shares of preferred stock were designated to be Series A Convertible Preferred Stock in 2015.

No preferred shares were issued during the six months ended June 30, 2016.

As at June 30, 2016 and December 31, 2015, there were 27,328,358 shares of Series A Convertible Preferred Stock issued and outstanding.

***Common Stock***

The Company has authorized 600,000,000 common shares with a par value of $0.001 per share. Each common share entitles the holder to one vote, in person or proxy, on any matter on which action of the stockholders of the corporation is sought. Holders have equal ratable rights to dividends from funds legally available and are entitled to share in assets available for distribution upon liquidation. Holders do not have preemptive, subscriptive, conversion or cumulative voting rights, and there are no redemption or sinking find provisions or rights. Holders of common stock have the right to approve any amendment of the Articles of Incorporation, elect directors, approve any plan of merger and approve a plan for the sale, lease or exchange of all of the Company's assets as proposed by the Board of Directors. There are no restrictions that limit the Company's ability to pay dividends on its common stock. The Company has not declared any dividends since incorporation.

On February 22, 2016, the Company effected a 1:10 stock split. All share and per share information has been retroactively restated for financial presentation of prior periods.

During the year ended December 31, 2015, the Company issued the following shares of common stock:

- 1,395,459 shares in exchange for debt of $333,500 and accrued interest of $23,759.
- 61,000,000 shares in exchange for accrued liabilities to related parties valued at $2,342,400, which have subsequently been adjusted for the 1:10 stock split that occurred on February 22, 2016.

- 1,400,000 shares were returned to treasury and 14,000,000 shares were re-issued from treasury.

During the six months ended June 30, 2016, the Company issued the following shares of common stock:

- 23,674,467 shares in exchange for principal debt and interest of $307,250.
- 10,150,000  shares in exchange for services valued at $250,310.

There were 71,029,052 and 37,204,585 common shares issued and outstanding at June 30, 2016 and December 31, 2015, respectively.

***Comprehensive Income (Loss)***

Comprehensive income (loss) is comprised of net earnings and other comprehensive income (loss).  Accumulated other comprehensive loss reported on our balance sheets consists of unrealized losses on available-for-sale securities.

| | June 30, 2016 | December 31, 2015 |
|---|---|---|
| Accumulated other comprehensive loss, opening balance | $ (159,425) | $ (1,924,426) |
| Net unrealized loss on available-for-sale securities | 157,489 | 1,765,001 |
| Accumulated other comprehensive loss, ending | $ (1,936) | $ (159,425) |

**NOTE 10 – NET INCOME (LOSS) PER SHARE OF COMMON STOCK**

The Company follows ASC 260, "Earnings per Share," ("EPS") which requires presentation of basic EPS on the face of the income statement for all entities with complex capital structures and requires a reconciliation of the numerator and denominator of the basic EPS computation.  In the accompanying financial statements, basic earnings (loss) per share is computed by dividing net loss by the weighted average number of shares of common stock outstanding during the period. Diluted EPS include additional dilution from common stock equivalents, such as convertible notes, preferred stock, stock issuable pursuant to the exercise of stock options and warrants. Common stock equivalents are not included in the computation of diluted earnings per share when the Company reports a loss because to do so would be anti-dilutive for periods presented. As at June 30, 2016 and 2015, the Company had $601,931 and $615,115 in convertible shareholder loans, respectively, $216,350 and $330,432 convertible notes payable and respectively, 27,328,358 and 27,328,358 convertible preferred stock issued and outstanding, respectively, which have been omitted from diluted EPS.

The following table sets forth the computation of basic and diluted earnings per share, for the periods ended June 30, 2016 and 2015.

| | Six Months Ended June 30, | |
|---|---|---|
| | 2016 | 2015 |
| Net loss | $ (865,663) | $ (2,480,783) |
| Weighted average common shares outstanding, basic and diluted | 49,968,689 | 29,898,728, |
| Net loss per share, basic and diluted | $ (0.02) | $ (0.08) |

**NOTE 11 – COMMITMENTS AND CONTINGENCIES**

***Legal Matters***

From time to time the Company may become a party to litigation matters involving claims against the Company.  Management believes that there are no current matters that would have a material effect on the Company's financial position or results of operations.

**Item 2. Management's Discussion and Analysis of Financial Condition or Plan of Operation**

## FORWARD-LOOKING STATEMENTS

This quarterly report contains forward-looking statements. These statements relate to future events or our future financial performance. In some cases, you can identify forward-looking statements by terminology such as “may”, “should”, “expects”, “plans”, “anticipates”, “believes”, “estimates”, “predicts”, “potential” or “continue” or the negative of these terms or other comparable terminology. These statements are only predictions and involve known and unknown risks, uncertainties and other factors that may cause our or our industry's actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these forward-looking statements. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Except as required by applicable law, including the securities laws of the United States, we do not intend to update any of the forward-looking statements to conform these statements to actual results.

Our unaudited financial statements are stated in United States Dollars (US$) and are prepared in accordance with United States Generally Accepted Accounting Principles. The following discussion should be read in conjunction with our financial statements and the related notes that appear elsewhere in this quarterly report. The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed below and elsewhere in this quarterly report.

Unless otherwise specified in this quarterly report, all dollar amounts are expressed in United States dollars and all references to “common stock” refer to shares of our common stock.

As used in this quarterly report, the terms “we”, “us”, “our company”, mean Baristas Coffee Company, Inc. a Nevada C corporation, unless otherwise indicated.

### Corporate Overview

We are a Nevada C Corporation that was originally formed as InfoSpi.com on October 18, 1996. On December 22, 2009, it acquired greater than a 60% interest in Pangea Networks, Inc. ("Pangea")/ DBA Baristas and Inc., and it acquired for cash, stock, and other consideration, numerous coffee stands in the greater Seattle area through the acquisition of Pangea; In May of 2010, the Company changed its name to Baristas Coffee Company, Inc. The Company's fiscal year end is December 31.

The Company operates a specialty drive-through beverage retailer with attractive female theme-costumed models as servers. Baristas provides its customers the ability of drive up and order their choice of a custom-blended espresso drink, freshly brewed coffee, or other beverages. We generate revenue by offering our patrons the finest hot and cold beverages, specializing in specialty coffees, blended teas and other custom drinks. In addition, we offer smoothies, fresh-baked pastries and other confections.

### Results of Operations

***Three Months Ended June 30, 2016 Compared to Three Months Ended June 30, 2015***

Revenue was $147,715 for the three months ended June 30, 2016 compared to $322,054 for the three months ended June 30, 2015, a decrease of $174,339. The decrease was primarily due to certain locations that ended operations during the three months ended June 30, 2016.

The changes in our operating expenses are as follows:

| | Three Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2016 | 2015 | $ Change | % Change |
| Direct costs | $ 9,880 | $ 111,680 | $ (101,800) | (91%) |
| Compensation | 73,208 | 158,389 | (85,181) | (54%) |
| Depreciation and amortization | 14,688 | 39,367 | (24,679) | (63%) |
| General and administrative | 81,727 | 115,762 | (34,035) | (29%) |
| Professional expenses | 48,168 | 27,306 | 20,862 | 76% |
| Stock-based compensation | 102 | 85,825 | (85,723) | (99%) |
| Total Operating Expenses | $ 227,773 | $ 538,329 | $ (310,556) | (58%) |

Direct costs for generating sales was $9,880 for the three months ended June 30, 2016 compared to $111,680 in the three months ended June 30, 2015, a decrease of $101,800 or 91%. The decrease direct costs in three months ended June 30, 2016 was primarily due to the result of reduced operations.

Compensation was $73,208 for the three months ended June 30, 2016 compared to $158,389 in the three months ended June 30, 2015, a decrease of $85,181 or 54%. The decrease compensation in three months ended June 30, 2016 was primarily due to the result of reduced operations.

Depreciation and amortization expenses for the three months ended June 30, 2016 was $14,688, a decrease of $24,679 or 63%, compared to $39,367 in the three months ended June 30, 2015.

General and administrative expenses consisted of expenses covering office, supplies, shipping, telephone, internet insurance, and other general operating costs related to our business. General and administrative expenses was $81,727 for the three months ended June 30, 2016 compared to $115,762 for the three months ended June 30, 2015, an increase of $11,528 or 11.06%.

Professional expenses was $48,168 for the three months ended June 30, 2016 compared to $27,306 in the three months ended June 30, 2014, an increase of $20,862 or 76%. The Company's professional expenses were primarily used to meet regulatory filing requirements.

Stock-based compensation consisted of $102 in stock issued / granted for compensation in the three months ended June 30, 2015, compared to $85,825 in the three months ended June 30, 2015, a decrease of $85,723 or 99%.

The changes in our other loss are as follows:

| | Three Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2016 | 2015 | $ Change | % Change |
| Beneficial conversion fee | $ 38,000 | $ 80,600 | $ (42,600) | (53%) |
| Interest expense (recovery) | 167,628 | 175,848 | (8,220) | (5%) |
| Gain on disposal of subsidiary | (664,959) | - | (664,959) | 100% |
| Loss on loan settlement | 452,380 | - | 452,380 | 100% |
| Realized loss on sales of marketable securities | - | (40,853) | 40,853 | 100% |
| Total Other Expenses | $ (6,951) | $ 215,595 | $ 222,546 | 100% |

The Company has issued a number of notes with various maturities dates to related parties for advances. These notes are convertible either at a fixed dollar amount or 50% of market price and accrue interest at an average rate of 8% per annum. During the three month periods ended June 30, 2016, and 2015, the Company recognized $7,000 and $39,000 beneficial conversion fee on convertible shareholder loans respectively.

The Company has issued a number of notes with various maturities dates to unrelated parties. These notes are convertible at a fixed dollar amount and accrue interest at 8% per annum. During the periods ended June 30, 2016 and 2015, the Company recognized a $31,000 and $41,600 beneficial conversion fee on convertible loans from un-related parties respectively.

During the three months ended June 30, 2016, 13,351,621 shares valued at $205,911, in exchange for debt of $171,614 and accrued interest of $24,298, result a $452,380 loss on settlement. During the three months ended June 30, 2015, 289,791 shares valued at $9,592, in exchange for debt of $5,492 and accrued interest of $304, result a $1,696 loss on settlement

***Six Months Ended June 30, 2016 Compared to Six Months Ended June 30, 2015***

Revenue was $414,260 for the six months ended June 30, 2016 compared to $654,038 for the six months ended June 30, 2015, a decrease of $239,779 or 37%.

The changes in our operating expenses are as follows:

| | Six Months Ended June 30, | | | |
|---|---|---|---|---|
| | **2016** | **2015** | **$ Change** | **% Change** |
| Direct costs | $ 91,954 | $ 230,949 | (138,995) | (60%) |
| Compensation | 187,313 | 305,980 | (118,667) | (39%) |
| Depreciation and amortization | 34,357 | 83,477 | (49,120) | (59%) |
| General and administrative | 168,072 | 229,878 | (61,806) | (27%) |
| Professional expenses | 59,377 | 72,324 | (12,947) | (18%) |
| Stock-based compensation | 282,602 | 205,175 | 77,427 | 38% |
| Total Operating Expenses | $ 823,675 | $ 1,127,783 | (304,108) | (27%) |

Direct costs for generating sales was $91,954 for the six months ended June 30, 2016 compared to $230,949 in the six months ended June 30, 2015, a decrease of $138,995 or 60%. The decreased direct costs in six months ended June 30, 2016 was primarily due to the result of reduced operations.

Compensation was $187,313 for the six months ended June 30, 2016 compared to $305,980 in the six months ended June 30, 2015, a decrease of 118,667 or 39%. The increase compensation in six months ended June 30, 2016 was primarily due to the result of reduced operations.

Depreciation and amortization expenses for the six months ended June 30, 2016 was $34,357, decreased $49,120 or 59%, compared to $83,477 in the six months ended June 30, 2015.

General and administrative expenses consisted of expenses covering office, supplies, shipping, telephone, internet insurance, and other general operating costs related to our business. General and administrative expenses was $168,072 for the six months ended June 30, 2016 compared to $229,878 for the six months ended June 30, 2015, a decrease of $61,806 or 27%. The increase was due to the result of reduced operations.

Professional expenses was $59,377 for the six months ended June 30, 2016 compared to $72,324 for the six months ended June 30, 2015, a decrease of $12,947 or 18%. The Company's professional expenses were primarily used to meet regulatory filing requirements.

Stock-based compensation consisted of $282,602 in stock issued / granted for compensation in the six months ended June 30, 2016, compared to $205,175 in the three months ended June 30, 2015, an increase of $77,427 or 38%.

The changes in our other loss are as follows:

| | Six Months Ended June 30, 2016 | 2015 | $ Change | % Change |
|---|---|---|---|---|
| Beneficial conversion fee | $ 107,500 | $ 202,100 | $ (94,600) | (47%) |
| Impairment loss on marketable securities | - | 1,620,230 | (1,620,230) | 100% |
| Gain on disposal of subsidiary | (664,959) | - | (664,959) | 100% |
| Interest expense (recovery) | 176,917 | 199,391 | (22,474) | (11%) |
| Gain on disposal of assets | (261,094) | - | (291,094) | 100% |
| Loss on loan settlement | 942,296 | - | 942,296 | 100% |
| Realized loss on sales of marketable securities | 155,588 | (14,683 | 170,271 | 100% |
| Total Other Expenses | $ 456,248 | $ 2,007,038 | $ (1,550,790) | (77%) |

The Company has issued a number of notes with various maturities dates to related parties for advances. These notes are convertible either at a fixed dollar amount or 50% of market price and accrue interest at an average rate of 8% per annum. During the six months ended June 30, 2016, and 2015, the Company recognized $44,000 and $90,000 beneficial conversion fee on convertible shareholder loans respectively.

The Company has issued a number of notes with various maturities dates to unrelated parties. These notes are convertible at a fixed dollar amount and accrue interest at 8% per annum. During the six months ended June 30, 2016 and 2015, the Company recognized $68,000 and $112,100 beneficial conversion fee on convertible loans from un-related parties respectively.

During the six months ended June 30, 2016, the Company recognized an impairment loss of $155,588 on marketable securities.

During the six months ended June 30, 2016, 23,674,467 shares valued at $1,660,362, in exchange for debt and accrued interest of $307,250, result a $942,296 loss on settlement.

***Liquidity and Capital Resources***

The Company's liquidity may be affected by general decrease in revenues during the holiday months and by the need to allocate startup costs for potential expansion.

Baristas forecasts opening ten new franchise locations in addition to maintaining our existing locations, during the next 12 month period. We will receive a franchise fee of $25,000 for each new location ($250,000 in revenue) and anticipate expenses in supporting each new franchise location to be $17,500 ($175,000 in expenses) for an additional net profit of $75,000 before royalties and other revenues. We anticipate hiring an operations manager as franchise sales are closed.

We believe that we do not have enough cash on hand and from operations to operate for the next 12 months. We will require additional financing if we are to complete our expansion plan for the next 12 months. While we are optimistic that we can generate the revenue from new franchise fees and refinancing of our existing properties, we do not have any current financing available to us. If we are unable to generate additional fees through franchising, in order to execute our plan of expansion, we would be required to raise funds through a sale of equities, the issuance of debt or a combination thereof. We have no assurances that we would be successful in raising the requite financing.

Working Capital

| | June 30, 2016 | December 31, 2015 |
|---|---|---|
| Current Assets | $ 9,572 | $ 23,930 |
| Current Liabilities | $ 2,056,993 | $ 2,283,355 |
| Working Capital | $ (2,047,421) | $ (2,259,425) |

Cash Flows

| | Six Months Ended June 30, 2016 | Six Months Ended June 30, 2015 |
|---|---|---|
| Cash Flows from (used) in Operating Activities | $ 314,181 | $ (200,279) |
| Cash Flows from Investing Activities | (254,682) | (4,353) |
| Cash Flows from Financing Activities | (49,926) | 181,418 |
| Net Decrease in Cash During Period | $ 9,572 | $ (23,214) |

As at June 30, 2016 our company's cash balance was $9,572 and total assets were $3,505,190. As at December 31, 2015, our company's cash balance was $(2,276) and total assets were $23,930.

As at June 30, 2016, our company had total liabilities of $2,056,993, compared with total liabilities of $2,283,355as at December 31, 2015.

As at June 30, 2016, our company had working capital deficiency of $2,047,421 compared with working capital deficiency of $2,259,425as at December 31, 2015.

**Cash Flow from Operating Activities**

During the six months ended June 30, 2016, our company was provided $314,181 in cash from operating activities, compared to $200,279 cash used in operating activities during the six months ended June 30, 2015.

**Cash Flow from Investing Activities**

During the six months ended June 30, 2016 our company used $254,682 in investing activities compared to $4,353 used in investing activities during the six months ended June 30, 2015.

**Cash Flow from Financing Activities**

During the six months ended June 30, 2016 our company used $49,926 from financing activities compared to $181,418 received from financing activities during the six months ended June 30, 2015.

**Going Concern**

We have a history of operating losses as we have focused our efforts on raising capital and building our brand and expanding our business locations. The report of our independent auditors issued on our consolidated financial statements as of and for the year ended December 31, 2015, expresses substantial doubt about our ability to continue as a going concern. Our ability to continue as a going concern is dependent on our obtaining additional adequate capital to fund additional operating losses until we become profitable. If we are unable to obtain adequate capital, we could be forced to cease operations.

**Off-Balance Sheet Arrangements**

We have no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that is material to stockholders.

### Critical Accounting Policies

We prepare our financial statements in conformity with GAAP, which requires management to make certain estimates and apply judgments. We base our estimates and judgments on historical experience, current trends and other factors that management believes to be important at the time the financial statements are prepared. On a regular basis, we review our accounting policies and how they are applied and disclosed in our financial statements.

While we believe that the historical experience, current trends and other factors considered support the preparation of our financial statements in conformity with GAAP, actual results could differ from our estimates and such differences could be material.

## Item 3. Quantitative and Qualitative Disclosures About Market Risk

As a “smaller reporting company”, we are not required to provide the information required by this Item.

## Item 4. Controls and Procedures

*Evaluation of Disclosure Controls and Procedures*

As of the end of the period covered by this Report, we carried out an evaluation, under the supervision and with the participation of management, including our chief executive officer and principal financial officer, of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon those evaluations, management concluded that our disclosure controls and procedures were not effective as of June 30, 2016, in light of the material weaknesses that were found during an assessment of our internal control over financial reporting to cause the information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods prescribed by SEC, and that such information is accumulated and communicated to management, including our chief executive officer and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

The matters involving internal controls and procedures that our management considered to be material weaknesses under the standards of the Public Company Accounting Oversight Board were: (1) lack of a functioning audit committee, (2) lack of a majority of outside directors on our board of directors, resulting in ineffective oversight in the establishment and monitoring of required internal controls and procedures; (3) inadequate segregation of duties consistent with control objectives; and (4) management dominated by a single individual without adequate compensating controls. The aforementioned material weaknesses were identified by our Chief Executive and Financial Officer in connection with the review of our financial statements as of June 30, 2016.

Management believes that the material weaknesses set forth above did not have an effect on our financial results. However, management believes that the lack of a functioning audit committee and the lack of a majority of outside directors on our board of directors results in ineffective oversight in the establishment and monitoring of required internal controls and procedures, which could result in a material misstatement in our financial statements in future periods.

*Changes in Internal Controls Over Financial Reporting*

There have been no changes in our internal controls over financial reporting identified in connection with the evaluation required by paragraph (d) of Securities Exchange Act Rule 13a-15 or Rule 15d-15 that occurred in the three months ended June 30, 2016 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings

We know of no material, existing or pending legal proceedings against our Company, nor are we involved as a plaintiff in any material proceeding or pending litigation. There are no proceedings in which any of our directors, officers or affiliates, or any registered beneficial shareholder, is an adverse party or has a material interest adverse to our interest.

### Item 1A. Risk Factors

As a “smaller reporting company”, we are not required to provide the information required by this Item.

### Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

### Item 3. Defaults Upon Senior Securities

None.

### Item 4. Mine Safety Disclosures

Not Applicable.

### Item 5. Other Information

On or about April 14, 2016, our company was advised that Stevenson & Company CPAS LLC ("Stevenson") was resigning as our company's independent registered public accounting firm. Our board of directors did not recommend or approve the resignation.

Stevenson was originally engaged as our independent registered public accounting firm on August 1, 2015. There were no disagreements between our company and Stevenson through the interim period from August 1, 2015 to April 14, 2016 on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which, if not resolved to the satisfaction of Stevenson, would have caused them to make reference to the subject matter of the disagreement in connection with its report.

To date, our company has not appointed an independent registered public accounting firm to audit our financial statements as successor to Stevenson.

### Item 6. Exhibits

None.

**SIGNATURES**

In accordance with Section 13 or 15(d) of the Exchange Act, the registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

**BARISTAS COFFEE COMPANY, INC.**
(Registrant)

Dated: March 10, 2017

*/s/ Barry Henthorn*
**Barry Henthorn**
Chief Executive Officer, Chief Financial Officer, Secretary and Director
(Principal Executive Officer, Principal Financial Officer and Principal Accounting Officer)