2011

First Quarter Report

Including Financial Statements and disclosures prescribed by OTC Pink Market for Alternative Reporting Standards.

For the Three Months ended March 31

BARISTAS COFFEE COMPANY INC.

A Nevada Corporation Listed on the OTC Pink Market

BARISTAS COFFEE COMPANY, INC.

CUSIP: 22766J 10 6

TRADING SYMBOL: BCCI

QUARTERLY REPORT FOR THE

THREE MONTHS ENDED

March 31, 2011

Item 1: Exact name of the issuer and address of its principal executive offices

Name of issuer: Baristas Coffee Company, Inc.

(formerly Innovative Communications, Inc.)

Principal Executive Offices: 411 Washington Avenue N

Kent, Washington 98032

Website: www.baristas.tv

Phone: 800/764-8711 Fax: 206/653-7202

Investor Relations Contact: Barry Henthorn

(at Principal Executive Office)

barry@baristas.tv

Item 2: The number of shares or total amount of the securities outstanding for each class of securities.

The following tables set forth information concerning the securities of Baristas Coffee Company, Inc.:

Class	Date	Number of Shares Authorized	Number of Shares Outstanding	Freely Tradable Shares (public float)	Total Number of Shareholders of Record
Preferred	March 31, 2011	30, 000, 000	1, 460, 000	0	5
	December 31, 2010	30. 000, 000	1, 460, 000	0	5
	December 31, 2009	30, 000, 000	1, 460, 000	0	5

Class	Date	Number of Shares Authorized	Number of Shares Outstandin g	Freely Tradable Shares (public float)	Total Number of Shareholder s of Record
Common	March 31, 2011	300,000,000	164,878,641	17,365,641	132
	December 31, 2010	300,000,000	164,878,641	17,365,641	132
	December 31, 2009	100,000,000	99,978,035	47,321,827	72

Item 3: Interim Financial Statements (Unaudited)—See Notes to Financial Statements

Baristas Coffee Company, Inc.

(A Nevada Corporation)
COMPARATIVE BALANCE SHEET
December 31, 2010 and March 31, 2011
Unaudited

	Mar	ch 31, 2011	Decer	mber 31, 2010
ASSETS				
Current Assets	•	04.400	•	45.040
Cash	\$	64,183	\$	15,910
Notes Receivable	\$	8,312	\$ \$	8,189 54,004
Shareholder and employee receivables Prepaid Expenses	φ ¢	12,759	\$ \$	10,428
Total current asstes	\$ \$ \$	85,254	\$	88,531
Total dufferit desires	Ψ	00,204	Ψ	00,001
Fixed Assets - Net	\$	557,355	\$	502,638
TOTAL ASSETS	\$	642,609	\$	591,169
LIABILITIES AND STOCKHOLDE Current Liabilities			•	004.000
Accounts Payable	\$	230,157	\$	291,699
Notes Payable	\$	47,742	\$	70,315
Total current liabilities	\$	277,899	\$	362,014
TOTAL LIABILITIES	\$	277,899	\$	362,014
Stockholders' Equity Common stock, \$.001 par value, 300,000,000 shares authorized, 164,878,641 shares issued and outstanding at March 31, 2011 and December 31, 2010	\$	164,879	\$	164,870
Preferred Stock, \$.001 par value, 1,460,000 shares issued and outstanding at March 31, 2011 and				
December 31, 2010	\$	1,460	\$	1,460
Paid-in-capital	\$	982,523	\$	982,523
Retained deficit	\$	(784,152)	\$	(918,246)
TOTAL STOCKHOLDERS' EQUITY	\$	364,710	\$	65,737
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$	642,609	\$	591,169

Baristas Coffee Company, Inc. (A Nevada Corporation) COMPARATIVE STATEMENT OF OPERATIONS Unaudited

	For the Quarter Ending March 31, 2011		ı	For the Year To Date March 31, 2011	From Inception (December 23, 2004) To March 31, 2011			
Sales	\$	225,348	\$	225,348	\$	1,249,680		
Cost of Sales	\$	54,760	\$	54,760	\$	333,752		
Gross Profit	\$	170,588	\$	170,588	\$	915,928		
Expenses								
Personnel	\$	55,834	\$	55,834	\$	760,095		
General and Administration	\$	23,878	\$	23,878	\$	598,762		
Operations	\$	44,468	\$	44,468	\$	244,891		
	\$	124,180	\$	124,180	\$	1,603,748		
Net Operating Loss/Profit	\$	46,408	\$	46,408	\$	(811,999)		
Extraordinary Loss	\$	-	\$	-	\$	(59,839)		
Net Profit (Loss)	\$	46,408	\$	46,408	\$	(752,160)		

Baristas Coffee Company, Inc.

(A Nevada Corporation) COMPARATIVE STATEMENT OF CASH FLOW Unaudited

	İ	he Quarter Ending h 31, 2011	Т	the Year To Date th 31, 2011	From Inception (December 23, 2004) To March 31, 2011			
Net Profit/Loss	\$	46,408	\$	46,408		(871,838)		
Adjustments to reconcile net loss to net cash provided by operating activities:						, ,		
Depreciation	\$	6,173	\$	6,173	\$	23,704		
Common stock issued for conversion of debt	\$	0,175	\$	0,173	\$	164,879		
Changes in assets and libilities:	Ψ		\$	_	Ψ	104,073		
(Incr) Decr in Prepaid Expenses	\$	(2,331)	\$	(2,331)	\$	41,444		
(Incr) Decr in Other Assets	\$	74,565	\$	54,716	\$	664,962		
Incr (Decr) in Accounts Payable	\$	(61,542)	\$	(61,542)	\$	256,292		
Incr (Decr) in Shareholder Loans	\$	-	\$	-	\$	32,680		
Incr (Decr) in Deferred Compensation	\$	-	\$	-	\$	-		
Total Adjustments	\$	16,865	\$	(2,984)	\$	1,183,961		
Net cash provided by (used in)								
operating activities	\$	63,273	\$	43,424	\$	312,123		
Cash flows from investing activities:								
Purchases of equipment	\$	(15,000)	\$	(15,000)	\$	(387,844)		
Investments	\$	-	\$	-	\$	-		
Sales of common stock	\$	-	\$	-	\$	99,500		
Net cash provided by (used in)								
operating activities	\$	(15,000)	\$	(15,000)	\$	(288,344)		
Cash and cash equivalents beginning of period	\$	15,910	\$	15,910	\$	25,217		
Cash and cash equivalents end of period	\$	64,183	\$	64,183	\$	64,183		

Baristas Coffee Company, Inc. (A Nevada Corporation) STATEMENT IN SHAREHOLDERS EQUITY Unaudited

							Decifit ccumulated				
							During the				Total
	Commo	n Sto	nck	Preferred	Stor	:k	evelopment		Paid-in	St	ockholders
	Shares		Amount	Shares		Amount	 Stage		Capital		Deficit
Balance 12/31/2008	77,978,000	s	77,978	29,200,000	\$	29,200	\$ (582,983)	s	942,810	\$	467,005
Issuance of Common Stock	21,730,350	\$	21.730	-	\$	20,200	\$ (002,000)	\$	0.2,0.0	\$	21,730
Net loss for the year ending	-	\$		_	Ψ.		\$ (186,221)	-	406.930	\$	220,709
Balance - December 31, 2009	99,708,350	\$	99.708	29,200,000	\$	29,200	\$ (769,204)	-	1,349,740	\$	709,444
Conversion of Debt	-	\$	-	-	\$	-	\$ -	\$	-	\$	-
Net loss for the quarter ending March 31, 2010	_	\$	_	_			\$ (241,818)			\$	(241,818)
Balance - March 31, 2010	99,708,350	\$	99,708	29,200,000	\$	29,200	\$ (1,011,022)	\$	1,349,740	\$	467,626
20:1 Reverse Stock Split	(94,722,933)	\$	(94,723)	(27,740,000)	\$	(27,740)	\$ -	\$	(1,282,253)	\$	(1,404,716)
Issuance of stock for greater than a 60% interest in Pangea Networks, Inc. and conversion of debt to											
common stock	144,893,223	\$	144,893	-	\$	-	\$ -	\$	956,064	\$	1,100,957
Conversion of Debt	15,000,000	\$	15,000	-	\$	-	\$ -	\$	_	\$	15,000
Net loss for the quarter ending June 30, 2010	-	\$	-	1,460,000	\$	1,460	\$ -	\$	-	\$	1,460
Balance - June 30, 2010	164,878,641	\$	164,879	1,460,000	\$	1,460	\$ (1,011,022)	\$	1,023,551	\$	178,868
	-	\$	-	-	\$	-	\$ -	\$	-	\$	-
Net loss for the quarter ending September 30, 2010	-	\$	-	-	\$	-	\$ 14,558	\$	(64,836)	\$	(50,278)
Balance - September 30, 2010	164,878,641	\$	164,879	1,460,000	\$	1,460	\$ (996,464)	\$	958,715	\$	128,590
	-	\$	-	-	\$	-		\$	-	\$	-
Net loss for the quarter ending December 31, 2010	-	\$	-	-	\$	-	\$ 78,218	\$	23,808	\$	2,545
Balance - December 31, 2010	164,878,641		164,879	1,460,000		1,460	\$ (918,246)		982,523	\$	131,135
	-	\$	-	-	\$	-		\$	-	\$	-
Net loss for the quarter ending March 31, 2011	-	\$	-	-	\$	-	\$ 124,626	\$	-	\$	2,545
Balance - March 31, 2011	164,878,641		164,879	1,460,000		1,460	\$ (793,620)		982,523	\$	133,680

NOTE 1: NATURE OF OPERATIONS

Baristas Coffee Company, Inc, ("Baristas" or the "Company") is a Nevada corporation, doing business as Baristas. Formerly known as Innovative Communications, Inc. (ICTN:PK), Baristas is listed on OTC Pink (BCCI:PK). Baristas is a specialty drive through beverage retailer with attractive female models as servers. Baristas provides its customers the ability to drive up and order their choice of a custom-blended espresso drink, freshly brewed coffee, or other beverages. Baristas is offering a high-quality option to the fast-food, gas station, or institutional coffee.

Baristas offers its patrons the finest hot and cold beverages, specializing in specialty coffees, blended teas, and other custom drinks. In addition, Baristas offers smoothies, fresh-baked pastries and other confections. Seasonally, Baristas adds beverages such as hot apple cider, hot chocolate, frozen coffees, and more. Another revenue stream will be in promoting and selling Baristas merchandise; alluring calendars, mugs, t-shirts and hats are some of the promotional items that will be sold. Historically, all stands have been company owned. However, the Company has begun franchising.

On December 29, 2009, the company announced that it had reached an agreement to acquired a controlling interest in Pangea Networks, Inc. (PGEA:PK) doing business as Baristas Coffee Company. The initial closing occurred on December 22, 2009, when an agreement was reached for Baristas to purchase in excess of 60% of the issued and outstanding shares of Pangea. Under the terms of the transaction, shareholders in Pangea would receive shares in Baristas. At that time, subject to concurrence and approval of the Financial Industry Regulatory Authority ("FINRA"), Baristas began to focus its operating activities in Pangea, operating as Baristas Coffee Company. See Subsequent Events below.

The year-end of the Company is December 31.

NOTE 2: BASIS OF PRESENTATION AND GOING CONCERN UNCERTAINTIES

The revenue from current operations is minimal; therefore, the Company is considered to be in the development stage.

Since the Company has only recently generated positive cash flows, the ability of the Company to continue as a going concern is in doubt and dependent upon achieving a profitable level of operations and on the ability of the Company to obtain necessary financing to fund ongoing operations. Management believes that its current and future plans enable it to continue as a going concern for the next twelve months.

To meet these objectives, the Company continues to seek other sources of financing in order to support existing operations and expand the range and scope of its business. However, there are no assurances that any such financing can be obtained on acceptable terms and timely manner, if at all. The failure to obtain the necessary working capital would have a material adverse effect on the business prospects and, depending upon the shortfall, the Company may have to curtail or cease its operations.

The accompanying financial statements do not include any adjustment to the recorded assets or liabilities that might be necessary should Baristas have to curtail operations or be unable to continue in existence.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

A. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reported period. Actual results could differ materially from the estimates.

B. Fixed Assets

Fixed assets are stated at cost of the espresso stands purchased by the Company. The Company periodically evaluates whether events and circumstances have occurred that may warrant revision of the estimated useful life of the fixed assets or whether the remaining balance of fixed assets should be evaluated for possible impairment.

C. Revenue Recognition

Revenue is generated through the sale of custom-blended espresso drinks, freshly brewed coffee, or other beverages, fresh-baked pastries and other confections, and Baristas merchandise.

D. Income Taxes

The Company accounts for income taxes under the provisions of SFAS No. 109, "Accounting for Income Taxes." SFAS No. 109 requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and operating loss and tax credit carryforwards using enacted tax rates in effect for the year in which the differences and carryforwards are expected to reverse.

In July 2006, the FASB issued FIN No.48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109." This interpretation clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements in accordance with SFAS No. 109. The interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken in a tax return. It also provides guidance on recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. FIN No.48 is effective for fiscal years beginning after December 15, 2006. The adoption of this interpretation did not have a material impact on the Company's results of operations or financial position. As such, the Company has not recorded any liabilities for uncertain tax positions or any related interest and penalties. The acceptability of the tax positions of the Company by the taxing authorities for the tax years open to Internal Revenue Service audit, the fiscal years 2005 through 2009, has not been determined.

Item 4. Management's discussion and analysis or plan of operation

A & B - Plan of Operation and Management's Discussion and Analysis of Financial Condition

The company has generated profits and positive cash flows for the quarterly reporting period. But, its ability to continue as a going concern is in doubt and dependent upon continuing profitable operations and on its ability to obtain necessary financing to fund ongoing operations. Management believes that its current and future plans will enable it to continue as a going concern and to profitably and dramatically grow.

The Company continues to seek external sources of financing in order to support existing operations, to expand through internal and franchise growth, and to expand the range and scope of its business. While there are no assurances that financing can be obtained on acceptable terms and or in a timely manner management has taken the following steps to improve its position:

- 1. Continue to identify and close unprofitable stores
- 2. Continue evaluating management agreements entered into in conjunction with acquisitions
- 3. Continue identifying new suppliers and negotiating more favorable terms with existing suppliers
- 4. Pursued and entered into franchising arrangements enabling the Company to expand with no capital outlays while achieving both immediate and long-term cash flow.

C. Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Forward looking statements-the use of forward looking statements is discussed in conjunction with the Company's initial application and is herein incorporated by reference. The user of this statement is strongly encouraged to refer to that document and to stay abreast of Company announcements.

Item 5. Legal proceedings

The Company is not involved in any legal proceedings.

Item 6. Defaults on senior securities

None

Item 7. Other information

<u>Current update</u>-No significant events have occurred outside the normal course of business and which have not been announced by appropriate public notice and press releases.

tem 8. Exhibits

<u>Articles of Incorporation and Bylaws</u>-The information required by this item was filed in conjunction with the Company's Initial Application and is herein incorporated by reference. There have been no amendments to the Articles of Incorporation or Bylaws from the date of filing through the period covered by this quarterly report.

<u>Material contracts-</u>The information required by this item was filed in conjunction with the Company's Initial Application and is herein incorporated by reference. There have been no modifications to that agreement and no additional material agreements or contracts have been entered into from the date of original filing through the period covered by this quarterly report.

Item 9. Certification

- I, Barry Henthorn, as Chief Executive Officer and Director of Baristas Coffee Company, Inc. ("the Company") certify that:
 - 1. I have reviewed this Financial Statements for the Company for the periods ended March 31, 2011.
 - 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.
 - **3.** Based upon my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this disclosure document.

Date: May 27, 2011

/s/ Barry Henthorn
Barry Henthorn
Chief Executive Officer/Director

2011

First Quarter Report

Including Financial Statements and disclosures prescribed by OTC Pink Market for Alternative Reporting Standards.

For the Three Months ended March 31

BARISTAS COFFEE COMPANY INC.

A Nevada Corporation Listed on the OTC Pink Market

BARISTAS COFFEE COMPANY, INC.

CUSIP: 22766J 10 6

TRADING SYMBOL: BCCI

QUARTERLY REPORT FOR THE

THREE MONTHS ENDED

March 31, 2011

Item 1: Exact name of the issuer and address of its principal executive offices

Name of issuer: Baristas Coffee Company, Inc.

(formerly Innovative Communications, Inc.)

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Website: www.baristas.tv

Phone: 800/764-8711 Fax: 206/653-7202

Investor Relations Contact: Barry Henthorn

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Item 2: The number of shares or total amount of the securities outstanding for each class of securities.

The following tables set forth information concerning the securities of Baristas Coffee Company, Inc.:

Class	Date	Number of Shares Authorized	Number of Shares Outstanding	Freely Tradable Shares (public float)	Total Number of Shareholders of Record
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	December 31, 2010	30. 000, 000	1, 460, 000	0	5
	December 31, 2009	30, 000, 000	1, 460, 000	0	5

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Item 3: Interim Financial Statements (Unaudited)—See Notes to Financial Statements

Baristas Coffee Company, Inc.

(A Nevada Corporation)
COMPARATIVE BALANCE SHEET
December 31, 2010 and March 31, 2011
Unaudited

	Mar	ch 31, 2011	Decer	mber 31, 2010
ASSETS		_		
Current Assets	_		4	
Cash	\$	64,183	\$	15,910
Notes Receivable	\$	8,312	\$	8,189
Shareholder and employee receivables	\$ \$ \$	-	\$	54,004
Prepaid Expenses Total current asstes	*	12,759 85,254	<u>\$</u> \$	10,428 88,531
Total current asstes	Ф	00,204	Ф	00,331
Fixed Assets - Net	\$	557,355	\$	502,638
TOTAL ASSETS	\$	642,609	\$	591,169
LIABILITIES AND STOCKHOLDER	RS' EQUI	TY		
Current Liabilities Accounts Payable	æ	230,157	¢	291,699
Notes Payable	\$ \$	47,742	\$ \$	70,315
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December 31, 2010	\$	1,460	\$	1,460
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Retained deficit	\$	(784,152)	\$	(918,246)
TOTAL STOCKHOLDERS' EQUITY	\$	364,710	\$	65,737
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$	642,609	\$	591,169

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	\$	124,180	\$	124,180	\$	1,603,748		
Net Operating Loss/Profit	\$	46,408	\$	46,408	\$	(811,999)		
Extraordinary Loss	\$	-	\$	-	\$	(59,839)		
Net Profit (Loss)	\$	46,408	\$	46,408	\$	(752,160)		

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Total Adjustments	\$	16,865	\$	(2,984)	\$	1,183,961		
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Cash flows from investing activities:								
Purchases of equipment	\$	(15,000)	\$	(15,000)	\$	(387,844)		
Investments	\$	-	\$	-	\$	-		
Sales of common stock	\$	-	\$	-	\$	99,500		
Net cash provided by (used in)								
operating activities	\$	(15,000)	\$	(15,000)	\$	(288,344)		
Cash and cash equivalents beginning of period	\$	15,910	\$	15,910	\$	25,217		
Cash and cash equivalents end of period	\$	64,183	\$	64,183	\$	64,183		

Baristas Coffee Company, Inc. (A Nevada Corporation) STATEMENT IN SHAREHOLDERS EQUITY Unaudited

								Decifit			
							Α	ccumulated			
								During the			Total
	Commo	n Sto	ock	Preferred	Sto	ck	D	evelopment	Paid-in	Stockholders	
	Shares		Amount	Shares		Amount		Stage	Capital		Deficit
Balance 12/31/2008	77,978,000	\$	77,978	29,200,000	\$	29,200	\$	(582,983)	\$ 942,810	\$	467,005
Issuance of Common Stock	21,730,350	\$	21,730	-	\$	-	\$	-	\$ -	\$	21,730
Net loss for the year ending	-	\$	-	-			\$	(186,221)	\$ 406,930	\$	220,709
Balance - December 31, 2009	99,708,350	\$	99,708	29,200,000	\$	29,200	\$	(769,204)	\$ 1,349,740	\$	709,444
Conversion of Debt	-	\$	-	-	\$	-	\$	-	\$ -	\$	-
Net loss for the quarter ending March 31, 2010	-	\$	-	-			\$	(241,818)		\$	(241,818)
Balance - March 31, 2010	99,708,350	\$	99,708	29,200,000	\$	29,200	\$	(1,011,022)	\$ 1,349,740	\$	467,626
20:1 Reverse Stock Split	(94,722,933)	\$	(94,723)	(27,740,000)	\$	(27,740)	\$	-	\$ (1,282,253)	\$	(1,404,716)
Issuance of stock for greater than a 60% interest in Pangea Networks, Inc. and conversion of debt to											
common stock	144,893,223	\$	144,893	-	\$	-	\$	-	\$ 956,064	\$	1,100,957
Conversion of Debt	15,000,000	\$	15,000	_	\$	_	\$	_	\$ _	\$	15,000
Net loss for the quarter ending June 30, 2010	-	\$		1,460,000	\$	1,460	\$	-	\$ -	\$	1,460
Balance - June 30, 2010	164,878,641	\$	164,879	1,460,000	\$	1,460	\$	(1,011,022)	\$ 1,023,551	\$	178,868
	-	\$	-	-	\$	-	\$	-	\$ -	\$	-
Net loss for the quarter ending September 30, 2010	-	\$	-	-	\$	-	\$	14,558	\$ (64,836)	\$	(50,278)
Balance - September 30, 2010	164,878,641	\$	164,879	1,460,000	\$	1,460	\$	(996,464)	\$ 958,715	\$	128,590
	-	\$	-	-	\$	-			\$ -	\$	-
Net loss for the quarter ending December 31, 2010	-	\$	-	-	\$	-	\$	78,218	\$ 23,808	\$	2,545
Balance - December 31, 2010	164,878,641		164,879	1,460,000		1,460	\$	(918,246)	982,523	\$	131,135
	-	\$	-	-	\$	-			\$ -	\$	-
Net loss for the quarter ending March 31, 2011	-	\$	-	-	\$	-	\$	124,626	\$ -	\$	2,545
Balance - March 31, 2011	164,878,641		164,879	1,460,000		1,460	\$	(793,620)	982,523	\$	133,680

NOTE 1: NATURE OF OPERATIONS

Baristas Coffee Company, Inc, ("Baristas" or the "Company") is a Nevada corporation, doing business as Baristas. Formerly known as Innovative Communications, Inc. (ICTN:PK), Baristas is listed on OTC Pink (BCCI:PK). Baristas is a specialty drive through beverage retailer with attractive female models as servers. Baristas provides its customers the ability to drive up and order their choice of a custom-blended espresso drink, freshly brewed coffee, or other beverages. Baristas is offering a high-quality option to the fast-food, gas station, or institutional coffee.

Baristas offers its patrons the finest hot and cold beverages, specializing in specialty coffees, blended teas, and other custom drinks. In addition, Baristas offers smoothies, fresh-baked pastries and other confections. Seasonally, Baristas adds beverages such as hot apple cider, hot chocolate, frozen coffees, and more. Another revenue stream will be in promoting and selling Baristas merchandise; alluring calendars, mugs, t-shirts and hats are some of the promotional items that will be sold. Historically, all stands have been company owned. However, the Company has begun franchising.

On December 29, 2009, the company announced that it had reached an agreement to acquired a controlling interest in Pangea Networks, Inc. (PGEA:PK) doing business as Baristas Coffee Company. The initial closing occurred on December 22, 2009, when an agreement was reached for Baristas to purchase in excess of 60% of the issued and outstanding shares of Pangea. Under the terms of the transaction, shareholders in Pangea would receive shares in Baristas. At that time, subject to concurrence and approval of the Financial Industry Regulatory Authority ("FINRA"), Baristas began to focus its operating activities in Pangea, operating as Baristas Coffee Company. See Subsequent Events below.

The year-end of the Company is December 31.

NOTE 2: BASIS OF PRESENTATION AND GOING CONCERN UNCERTAINTIES

The revenue from current operations is minimal; therefore, the Company is considered to be in the development stage.

Since the Company has only recently generated positive cash flows, the ability of the Company to continue as a going concern is in doubt and dependent upon achieving a profitable level of operations and on the ability of the Company to obtain necessary financing to fund ongoing operations. Management believes that its current and future plans enable it to continue as a going concern for the next twelve months.

To meet these objectives, the Company continues to seek other sources of financing in order to support existing operations and expand the range and scope of its business. However, there are no assurances that any such financing can be obtained on acceptable terms and timely manner, if at all. The failure to obtain the necessary working capital would have a material adverse effect on the business prospects and, depending upon the shortfall, the Company may have to curtail or cease its operations.

The accompanying financial statements do not include any adjustment to the recorded assets or liabilities that might be necessary should Baristas have to curtail operations or be unable to continue in existence.

NOTE 3: SIGNIFICANT ACCOUNTING POLICIES

A. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reported period. Actual results could differ materially from the estimates.

B. Fixed Assets

Fixed assets are stated at cost of the espresso stands purchased by the Company. The Company periodically evaluates whether events and circumstances have occurred that may warrant revision of the estimated useful life of the fixed assets or whether the remaining balance of fixed assets should be evaluated for possible impairment.

C. Revenue Recognition

Revenue is generated through the sale of custom-blended espresso drinks, freshly brewed coffee, or other beverages, fresh-baked pastries and other confections, and Baristas merchandise.

D. Income Taxes

The Company accounts for income taxes under the provisions of SFAS No. 109, "Accounting for Income Taxes." SFAS No. 109 requires recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial reporting and tax bases of assets and liabilities and operating loss and tax credit carryforwards using enacted tax rates in effect for the year in which the differences and carryforwards are expected to reverse.

In July 2006, the FASB issued FIN No.48, "Accounting for Uncertainty in Income Taxes – an interpretation of FASB Statement No. 109." This interpretation clarifies the accounting for uncertainty in income taxes recognized in a company's financial statements in accordance with SFAS No. 109. The interpretation prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken in a tax return. It also provides guidance on recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. FIN No.48 is effective for fiscal years beginning after December 15, 2006. The adoption of this interpretation did not have a material impact on the Company's results of operations or financial position. As such, the Company has not recorded any liabilities for uncertain tax positions or any related interest and penalties. The acceptability of the tax positions of the Company by the taxing authorities for the tax years open to Internal Revenue Service audit, the fiscal years 2005 through 2009, has not been determined.

Item 4. Management's discussion and analysis or plan of operation

A & B - Plan of Operation and Management's Discussion and Analysis of Financial Condition

The company has generated profits and positive cash flows for the quarterly reporting period. But, its ability to continue as a going concern is in doubt and dependent upon continuing profitable operations and on its ability to obtain necessary financing to fund ongoing operations. Management believes that its current and future plans will enable it to continue as a going concern and to profitably and dramatically grow.

The Company continues to seek external sources of financing in order to support existing operations, to expand through internal and franchise growth, and to expand the range and scope of its business. While there are no assurances that financing can be obtained on acceptable terms and or in a timely manner management has taken the following steps to improve its position:

- 1. Continue to identify and close unprofitable stores
- 2. Continue evaluating management agreements entered into in conjunction with acquisitions
- 3. Continue identifying new suppliers and negotiating more favorable terms with existing suppliers
- 4. Pursued and entered into franchising arrangements enabling the Company to expand with no capital outlays while achieving both immediate and long-term cash flow.

C. Off-Balance Sheet Arrangements

There are no off-balance sheet arrangements.

Forward looking statements-the use of forward looking statements is discussed in conjunction with the Company's initial application and is herein incorporated by reference. The user of this statement is strongly encouraged to refer to that document and to stay abreast of Company announcements.

Item 5. Legal proceedings

The Company is not involved in any legal proceedings.

Item 6. Defaults on senior securities

None

Item 7. Other information

<u>Current update</u>-No significant events have occurred outside the normal course of business and which have not been announced by appropriate public notice and press releases.

Item 8. Exhibits

<u>Articles of Incorporation and Bylaws</u>-The information required by this item was filed in conjunction with the Company's Initial Application and is herein incorporated by reference. There have been no amendments to the Articles of Incorporation or Bylaws from the date of filing through the period covered by this quarterly report.

<u>Material contracts-</u>The information required by this item was filed in conjunction with the Company's Initial Application and is herein incorporated by reference. There have been no modifications to that agreement and no additional material agreements or contracts have been entered into from the date of original filing through the period covered by this quarterly report.

Item 9. Certification

- I, Barry Henthorn, as Chief Executive Officer and Director of Baristas Coffee Company, Inc. ("the Company") certify that:
 - 1. I have reviewed this Financial Statements for the Company for the periods ended March 31, 2011.
 - 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.
 - **3.** Based upon my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present all material respects the financial condition, results of operations and cash flows of the Company as of, and for, the periods presented in this disclosure document.

Date: May 27, 2011

/s/ Barry Henthorn
Barry Henthorn
Chief Executive Officer/Director