

**DISCLOSURE STATEMENT PURSUANT TO
THE PINK BASIC DISCLOSURE GUIDELINES**

VAPORBRANDS INTERNATIONAL, INC.

A Nevada Corporation

15812 116th Ave. N.E.

Bothell, WA 98011

(Company's Address)

(352) 777.5284

(Company's telephone number)

www.vaporbrandsint.com

(Company's Website)

ceo@varporbrandsint.com

(Company's email)

2100 – Tobacco Products

(Company's SIC Code)

QUARTERLY REPORT

Amendment No. 1

For the Period Ending March 31, 2022

(the "Reporting Period")

As of May 16, 2022, the number of shares outstanding of our Common Stock was:

337,182,654 shares

As of December 31, 2021, the Date At End of Previous Reporting Period, the number of shares outstanding of our Common Stock was:

228,869,797 shares

As of December 31, 2021, the Most Recent Fiscal Year End Reporting Period, the number of shares outstanding of our Common Stock was:

228,869,797 shares

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

Yes: ☐

No: ☒

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

Yes: ☐

No: ☒

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

Yes: ☐

No: ☒

EXPLANATORY NOTE

VaporBrands International, Inc. (the “Company”) is filing this Amendment No. 1 for the Quarterly Report for the three months ending on March 31, 2022 and 2021 for the primary purpose of correcting the conversion rate for an April 14, 2022, \$30,000 convertible promissory note payable to Capital Consulting, Inc. (Mark Schaftlein has voting and investment control). The conversion rate on the promissory note payable was inadvertently and incorrectly reported a \$.0025 and the correct conversion rate was \$.025. The Company updated the convertible notes payable conversion rate on Item 3; Part B (Page 9) and *Note 9 – Subsequent Events* (Page F-16) in the accompanying notes to the financial statements.

PART A GENERAL COMPANY INFORMATION

Item 1. Name of the issuer and its predecessor (if any).

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

The name of the issuer is VaporBrands International, Inc. (“VaporBrands” or “Company”). We were incorporated in Delaware as Quadrax Corporation on March 6, 1986. We changed our name to TTCM China, Inc. on December 28, 2004. We re-domesticated from Delaware to Nevada on February 28, 2012. We established a subsidiary, VaporBrands International, Inc., which was incorporated on July 9, 2012. We merged with our subsidiary, and changed our name to VaporBrands International, Inc., effective October 19, 2012.

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

On February 28, 2012 we were established as Nevada corporation. The Company is currently in good standing in the State of Nevada.

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

None

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

During December 2021, Eleanor Hodge, the Company CEO passed away. On December 22, 2021, Florence Montgomery, a director, was appointed CEO and Chairman of the Board of Directors. On February 10, 2022, Barry Henthorn was appointed the Company's CEO and Chairman of the Board of Directors and Florence Montgomery, the Company former CEO and Chairman of the Board of Directors, was appointed the Company's Secretary and Treasurer and will remain a director of the Company. The appointment of Mr. Henthorn was considered a change in control of the Company.

On March 4th 2022, the Company acquired 100% of E-Cite Motors, L.L.C. an innovative electric vehicle manufacturer startup. On March 4th 2022, the Company purchased 100% of Auto Rescue, Repair, and Restoration dba "Acclaimed Auto Repair" an auto repair and restoration company. On March 16th 2022, The Company acquired 100% of the remaining assets of N2A Motors a California based custom auto manufacturer and car factory specializing in designing, engineering and building prototype, concept, and limited production vehicles for OEMs, corporations, movies, and private owners. On March 16th 2022 Gene Langmesser was appointed the Company's COO and appointed to the Board of Directors.

The address(es) of the issuer's principal executive office:

15812 116th Ave. N.E., Bothell, WA 98011

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

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

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

Yes: ☐

No: ☒

Item 2. Security Information.

Trading Symbol:	VAPR
Exact title and class of securities outstanding:	Common Stock
CUSIP:	922105 10 1
Par or Stated Value:	\$0.001 par value
Total Shares Authorized:	500,000,000 as of May 16, 2022
Total Shares Outstanding:	337,182,654 as of May 16, 2022
Number of shares in Public Float:	69,008,439 as of May 16, 2022
Total number of shareholders of record:	137 as of May 16, 2022.
Trading Symbol:	
Exact title and class of securities outstanding:	Preferred Stock
CUSIP:	
Par or Stated Value:	\$0.001 par value
Total Shares Authorized:	5,000,000 as of May 16, 2022
Total Shares Outstanding:	-0- shares as of May 16, 2022

The name and address of VaporBrand's transfer agent is:

American Stock Transfer & Trust Company, LLC
 Attn: Client Service Center, 3rd Floor
 6201 15th Avenue
 Brooklyn NY 11219
 Email: adminl2@astfinancial.com

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

Item 3. Issuance History.

Disclosure under this Item 3 includes, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services.

A. Changes in the Number of Outstanding Shares.

Check this box to indicate there were no changes to the number of outstanding shares within the past two completed fiscal years and any subsequent periods:

<div> <div>Number of Shares Outstanding as of January 1, 2020:</div> <div>Opening Balance: Common: 102,144,547 Preferred: -0-</div> </div>									
Date of Transaction	Transaction type (e.g., new issuance, cancellation, shares returned to treasury)	Number of Shares issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at issuance	Were the shares issued at a discount to market price at the time of issuance? Yes or No	Individual/Entity Shares were issued to (entities must have individual with voting/investment control disclosed).	Reason for share issuance (e.g., for cash or debit conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
6/17/2020	New Issuance	5,000,000	Common	11,000	No	Alison M Baird	Acquisition of Oasis Spectrum (1)	Restricted	Section 4(a) (2)
6/17/2020	New Issuance	5,000,000	Common	11,000	No	Barry Henthorn	Acquisition of Oasis Spectrum (2)	Restricted	Section 4(a) (2)
6/17/2020	New Issuance	39,282,000	Common	94,277	Yes	Eleanor Hodge	Director Compensation (3)	Restricted	Section 4(a) (2)
6/17/2020	New Issuance	19,600,000	Common	47,040	Yes	Florence Montgomery	Director Compensation (4)	Restricted	Section 4(a) (2)
6/17/2020	New Issuance	20,000,000	Common	80,000	Yes	Realtime Rentals Inc (Barry Henthorn has voting and investment control)	Marketing/Advertising (5)	Restricted	Section 4(a) (2)

6/17/2020	New Issuance	8,065,000	Common	19,356	Yes	Rick Basse Consulting, PLLC (Rick Basse has voting and investment control)	Vendor Payable Conversion (6)	Restricted	Section 4(a) (2)
6/17/2020	New Issuance	10,000,000	Common	27,000	Yes	Town And Country Consultants Inc (Chris Kavanaugh has voting and investment control)	Consulting (7)	Restricted	Section 4(a) (2)
7/9/2020	New Issuance	4,940,680	Common	4,941	Yes	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Debt Conversion (8)	Unrestricted	Sections 3(a)(9) & 4(a)(1) of 1933 Act
11/5/2020	New Issuance	1,302,910	Common	1,303	Yes	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Debt Conversion (9)	Unrestricted	Sections 3(a)(9) & 4(a)(1) of 1933 Act
2/10/2021	New Issuance	5,921,640	Common	5,922	Yes	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Debt Conversion (10)	Unrestricted	Sections 3(a)(9) & 4(a)(1) of 1933 Act
8/30/2021	New Issuance	7,613,020	Common	7,613	Yes	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Debt Conversion (11)	Unrestricted	Sections 3(a)(9) & 4(a)(1) of 1933 Act
3/9/2022	New Issuance	3,500,000	Common	19,250	No	Austin Renfro	Acquisition of Auto Rescue, Repair & Restoration, Inc. (12)	Restricted	Section 4(a) (2)
3/9/2022	New Issuance	57,000,000	Common	313,500	No	Barry Henthorn	Acquisition of E-Cite Motors LLC (13)	Restricted	Section 4(a) (2)
3/9/2022	New Issuance	7,000,000	Common	38,500	No	Barry Henthorn	Acquisition of Auto Rescue, Repair & Restoration, Inc. (12)	Restricted	Section 4(a) (2)
3/9/2022	New Issuance	3,500,000	Common	19,250	No	Brandon Renfro	Acquisition of Auto Rescue, Repair & Restoration, Inc. (12)	Restricted	Section 4(a) (2)
3/9/2022	New Issuance	7,000,000	Common	38,500	No	Casey Dmitriev	Acquisition of Auto Rescue, Repair & Restoration, Inc. (12)	Restricted	Section 4(a) (2)
3/21/2022	New Issuance	20,000,000	Common	182,000	No	Gene Langmesser	Acquisition of N2A Motors, Inc. (14)	Restricted	Section 4(a) (2)
3/21/2022	New Issuance	5,000,000	Common	45,500	No	Gene Langmesser	Consulting (15)	Restricted	Section 4(a) (2)

Shares Outstanding on March 31, 2022 (19)	Ending Balance: Common: 331,869,797 Preferred: -0-	
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Please note the following additional details, including footnotes to the table above:

- (1) On February 18, 2020, the Company signed a Purchase and Sales Agreement to purchase the brand known as Oasis Spectrum. The Company paid the Oasis Spectrum first brand owner 5,000,000 restricted shares of the Company's common stock. The shares were valued at \$11,000 or \$0.0022 per share. The shares were issue to the owners at June 17, 2020.
- (2) On February 18, 2020, the Company signed a Purchase and Sales Agreement to purchase the brand known as Oasis Spectrum. The Company paid the Oasis Spectrum the second brand owner 5,000,000 restricted shares of the Company's common stock. The shares were valued at \$11,000 or \$0.0022 per share. The shares were issue to the owners at June 17, 2020.
- (3) On June 15, 2020, the Company signed an agreement to issue the Company's CEO and director 39,282,000 restricted shares of the Company Stock at a discount of \$.001 share to convert \$5,682 of unpaid director fees and \$33,600 to prepay 24 months of director fees through June 14, 2021. The Company valued the shares at the current market price of \$.0024 per share or \$94,277.
- (4) On June 15, 2020, the Company signed an agreement to issue a director of the Company 19,600,000 restricted shares of the Company Stock at a discount of \$.001 share to convert \$2,800 of unpaid director fees and \$16,800 to prepay 24 months of director fees through June 14, 2021. The Company valued the shares at the current market price of \$.0024 per share or \$47,040.
- (5) On April 10, 2019, the Company signed an agreement with a consultant for accounting services to the Company. The consultant is compensated with cash and paid \$35 per hour in restricted shares of the Company's common stock based on 85% of the average closing price of the Company's common stock 5 (five) days prior to date of each invoice. On June 15, 2020, the Company agreed to issue the consultant 8,065,000 restricted shares of the Company Stock at a discount of \$.001 per share to convert \$2,300 of an accounts payable balance, \$3,254 of the Company's common stock to be issued and \$2,511 to prepay the preparation of the June 30, 2020 and September 30, 2020 Quarterly Reports. The Company valued the shares at the current market price of \$.0024 per share or \$19,356.
- (6) On May 1, 2020, the Company signed five-month Consulting Agreement for strategic services including product planning, market development, marketing, public relations, acquisitions, mergers and other services. The contract shall continue through October 1, 2020. The consultant shall receive compensation consisting of 10,000,000 restricted shares of the Company's common stock. The shares were valued at of \$.0027 per share or \$27,000.
- (7) On June 17, 2020, the Company signed an agreement to issue 20,000,000 restricted shares of the Company Stock to a marketing and advertising firm to provide services to the Company. The shares were valued at of \$.004 per share or \$80,000.
- (8) On July 13, 2020, the Company issued 4,940,680 unregistered shares of the Company's common stock in exchange for a debt conversion at \$0.001 per share to partially settle a convertible notes and accrued interest for \$4,941. The note was dated April 7, 2017.
- (9) On November 5, 2020, the Company issued 1,302,910 unregistered shares of the Company's common stock in exchange for a debt conversion at \$0.001 per share to fully settle a convertible notes and accrued interest for \$1,302. The note was dated April 7, 2017.
- (10) On February 10, 2021, the Company issued 5,921,640 unregistered shares of the Company's common stock in exchange for a debt conversion at \$0.001 per share to fully settle a convertible notes and accrued interest for \$5,922. The note was dated July 18, 2017.

- (11) On August 29, 2021, the Company issued 7,613,020 unregistered shares of the Company's common stock in exchange for a debt conversion at \$0.001 per share to fully settle a convertible notes and accrued interest for \$7,613. The note was dated November 2, 2017.
- (12) On March 4, 2022, the Company signed a Stock Sales and Purchase Agreement from a group of four individuals including Barry Henthorn, the Company's CEO, to purchase Auto Rescue, Repair, and Restoration Inc. dba "Acclaimed Auto Repair" for 21,000,000 restricted shares of the Company's common stock valued at \$115,500 or \$0.0055 per share.
- (13) On March 4, 2022, the Company signed a Membership Interest Purchase Agreement from Barry Henthorn, the Company's CEO, to purchase E-Cite Motors LLC for 57,000,000 shares restricted shares of the Company's common stock valued at \$313,500 or \$0.0055 per share.
- (14) On March 16, 2022, the Company signed an Asset Purchase and Sale Agreement from Gene Langmesser to purchase N2A Motors for 20,000,000 restricted shares of the Company's common stock valued at \$178,000 or \$0.0089 per share.
- (15) On March 15, 2022, the Company signed a twelve-month Work for Hire Consulting Agreement for Mr. Langmesser to serve as the Company's Chief Operating Officer. In addition to cash considerations, Mr. Langmesser received 5,000,000 restricted shares of the Company's common stock. The shares were valued at of \$.0091 per share or \$45,500.
- (16) The following sharers were not issued as of March 31, 2022:
- On November 15, 2016 the Company entered into a consulting agreement with James C. Hodge to become the Chief Executive Officer, Chief Financial Officer and Director in exchange for the issuance of 1,500,000 shares of the Company's unregistered common stock. Additionally, the Company agreed to issue Mr. Hodge an additional 250,000 share of the Company's unregistered common stock at the end of each fiscal quarter beginning March 1, 2017. The consulting agreement terminated on April 19, 2018, upon Mr. Hodge leaving the Company for health reasons. Mr. Hodge is owed 500,000 unregistered shares under the subject agreement. On July 2, 2018, Mr. Hodge passed away. The shares were transferred to his wife, Eleanor Hodge. During December 2021, Ms. Hodge passed away and the shares belong to her estate. The value of the unissued shares is \$9,375 or \$0.0188 per share. As of May 16, 2022, these shares have not been issued to her estate.
 - On April 10, 2019, the Company signed an agreement with a consultant for accounting services to the Company. The consultant is compensated with cash and paid \$35 per hour in unregistered shares of the Company's common stock based on 85% of the average closing price of the Company's common stock 5 (five) days prior to date of each invoice. At March 31, 2022, the consultant earned 134,371 restricted shares of the Company's common stock under the April 10, 2019 agreement. The stock was valued at \$2,100 or \$0.0156 per share. As of May 16, 2022, the Company has not issued the shares to the consultant.
 - On March 16, 2022, the Company signed a twelve-month Work for Hire Consulting Agreement for Barry Henthorn, the Company's CEO. In addition to cash considerations, Mr. Henthorn will receive 5,000,000 restricted shares of the Company's common stock. The shares were valued at of \$.0089 per share or \$44,500. As of May 16, 2022, the shares have not been issued to Mr. Henthorn.

B. Debt Securities, including Promissory and Convertible Notes.

The chart below lists and describes all outstanding promissory notes, convertible promissory notes and any other debt instrument that may be converted into a class of the issuer's equity securities as of March 31, 2022.

Check this box if there are no outstanding promissory notes, convertible notes or debt arrangements: ☐

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder	Reason for Issuance (e.g., Loan, Services, etc.)
February 6, 2014	35,103	22,500	12,603	None	N/A	Ron Staubner	Loan
February 6, 2014	50,021	33,500	16,521	None	N/A	Michael Sullivan	Loan
March 5, 2014	42,500	42,500	-	March 5, 2014	N/A	Scott Marshall/Jason Torres/David Naylor	Loan
April 7, 2014	7,400	4,500	2,900	April 7, 2015	N/A	Wendi Haviland	Loan
March 26, 2018	8,591	6,000	2,591	March 26, 2019	Indebtedness convertible to common shares at \$0.005 per share	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan
June 27, 2018	18,899	14,283	4,616	June 27, 2020	Indebtedness convertible to common shares at \$0.0035 per share	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan
November 1, 2018	10,258	8,000	2,258	November 1, 2020	Indebtedness convertible to common shares at \$0.002 per share	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan
March 6, 2019	13,196	10,000	3,196	March 6, 2021	Indebtedness convertible to common shares at \$0.0025 per share	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan
April 22, 2019	22,214	17,000	5,214	April 22, 2021	Indebtedness convertible to common shares at \$0.0025 per share	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan
June 7, 2019	10,353	8,000	2,353	June 7, 2021	Indebtedness convertible to common shares at \$0.003 per share	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan
December 3, 2020	20,079	17,854	2,225	December 3, 2022	Indebtedness convertible to common shares at \$0.003 per share	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan

March 24, 2021	18,386	17,000	1,386	March 24, 2023	Indebtedness convertible to common shares at \$0.0075 per share	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan
October 31, 2021	6,715	6,500	215	October 31, 2023	Indebtedness convertible to common shares at \$0.005 per share	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan
March 8, 2022	8,040	8,000	40	March 8, 2024	Indebtedness convertible to common shares at \$0.005 per share	Capital Consulting, Inc. (Mark Schaftlein has voting and investment control)	Loan

Please note the following additional details, including footnotes to the table above:

None

Debt securities, including promissory and convertible notes issued after March 31, 2022:

On April 14, 2022, the Company issued a \$30,000 convertible promissory note to Capital Consulting, Inc. (Mark Schaftlein has voting and investment control). The convertible note bears interest at 8% and has a maturity date of April 14, 2024 at which time all principal and accrued interest shall be due and payable in full. Prepayment is permitted without penalty. After maturity the interest rate increases to 10%. The convertible note is convertible by the holder, at its election, into shares of the Company's common stock at an exercise price of \$.025 per share.

Item 4. Financial Statements.

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

☒ U.S. GAAP
☐ IFRS

B. The financial statements for this reporting period were prepared by:

Name: Rick Basse, CPA
Title: Owner of Rick Basse Consulting, PLLC
Relationship to Issuer: Accountant engaged by Company

The following financial statements described below are provided and incorporated by this reference for the most recent fiscal year or quarter:

- C. Consolidated Balance Sheets;
- D. Consolidated Statements of Operations;
- E. Statement of Changes in Stockholders' Deficiency;
- F. Statement of Cash Flows;
- G. Financial Notes; and
- H. Audit letter, if audited (the Company was not Audited)

See Exhibit A

Management's Discussion and Analysis or Plan of Operation.

A. Plan of Operation. We were a distributor of specialty CBD oil products. As discussed below in Item 5, we moved away from vaping products to other CBD oils products. With our acquisition of E-Cite Motors LLC and Rescue, Repair and Restoration Inc. on March 4, 2022 and our March 16th 2022 acquisition of N2A Motors, we will move to the automotive industry. For the three months ended March 31, 2022 and 2021, we generated revenues of \$2,249 and -0-, respectively and reported a net loss of \$141,316 and \$58,444, respectively.

For the foreseeable future, our operating plan is dependent upon both the ability to conserve existing cash resources and the ability to obtain additional capital through equity financing and/or debt financing to provide the necessary funds and cash flow to meet our obligations on a timely basis and to execute our business plan. In the event that we are unable to conserve existing cash resources and/or obtain the additional and necessary capital, the Company may have to cease its operations. This would materially impact the Company's ability to continue as a going concern for a reasonable period of time.

Liquidity and Capital Resources

We generated \$2,249 of revenues for the three months ended March 31, 2022. At March 31, 2022, we have an accumulated deficit since inception of \$6,687,071. These factors, among others, indicate that the Company might be unable to continue as a going concern for a reasonable period of time.

As of March 31, 2022, we had cash of \$291 and a working capital deficit of \$419,028. This compares to cash of \$100 and a working capital deficit of \$291,200 at December 31, 2021.

Based on anticipated operating and administrative expenses, the Company will not have sufficient cash resources to finance its operations except for several months unless we are able to raise additional equity financing and/or debt financing in the immediate future. We have commenced, and will continue to pursue, efforts to raise additional equity financing and/or debt financing from a variety of sources and means. There are no assurances that we will be able to obtain any additional financing and, even if obtained, that such financing will be in a sufficient amount to be able to continue operations for a sufficient period until the Company is able to generate sufficient revenues and become profitable.

B. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Results of Operations for the three months ended March 31, 2022 compared to the three months ended March 31, 2021:

Overview. VaporBrands International, Inc., is a Nevada corporation, originally formed on March 16, 1986. For the three months ended March 31, 2022 and 2021, respectively, we generated \$2,249 and \$-0- of revenues. For the three months ended March 31, 2022 and 2021, we reported a net loss of \$141,316 and \$58,444, respectively. The increase in net loss of \$82,872 is attributable to the factors discussed below.

Revenues. We had revenues from operations of \$2,249 and \$-0- for the three months ended March 31, 2022 and 2021, respectively. Our March 31, 2022 revenues of \$2,249 was from the first month of our auto repair business. On March 4, 2022, we acquired Auto Rescue, Repair, and Restoration Inc. dba "Acclaimed Auto Repair".

Gross Margin. Once cost of revenue and other expenses to generate revenue are considered, we had gross margins of \$728 or 32% of revenue. Our gross margin was from our March 4, 2022 acquisition of Auto Rescue, Repair, and Restoration Inc. dba "Acclaimed Auto Repair".

Operating Expenses. Our operating expenses were \$121,920 and \$47,641 for the three months ended March 31, 2022 and 2021, respectively. The \$74,279 increase was primarily attributable to our acquisition of E-Cite Motors LLC, Rescue, Repair and Restoration Inc. and of N2A Motors during March 2022. As a result, stock-based compensation increased approximately \$55,000 for our CEO and COO, an approximate \$5,000 increase in officer/director compensation, an approximate \$7,000 increase in other general and administrative expenses and an approximate \$7,000 increase in amortization and depreciation expense.

Other Income (Expense). Our total other expense was \$20,124 and \$10,803 for the three months ended March 31, 2022 and 2021, respectively. The increase of \$9,321 was attributable to a \$9,321 increase in interest expense from our March 2022 acquisition of an approximate \$2,200,000 finance lease obligation for our operations building and equipment for \$12,798 interest expense, offset by, a \$3,477 decrease in convertible notes payable and related debt discounts as provided by investments from a corporation for the three months ended March 31, 2022 compared to the three months ended March 31, 2021.

Capital Structure and Resources

We had total assets of \$2,556,946 as of March 31, 2022, which consisted of \$291 cash, prepaid expense of \$4,615 from to stock-based compensation for our director. The remaining assets were acquired from our acquisition of E-Cite Motors LLC, Rescue, Repair and Restoration Inc. and of N2A Motors during March 2022. At March 31, 2022, the assets acquired consisted of our operations property, plant and equipment (net of accumulated depreciation) of \$2,193,733, intangible assets (net of accumulated amortization) for \$184,342, goodwill of \$31,508 and other assets of \$142,457 primarily consisting of automobiles for restoration, security deposits and other assets not in use.

We had total liabilities of \$2,291,925 as of March 31, 2022 consisting of accounts payable of \$105,495, accrued interest of \$56,177 on our promissory notes payable, amounts due to related parties of \$13,898, current portion of finance lease obligation of \$61,683, short-term convertible notes payable of \$84,041 (net of discount), notes payable of \$103,000, long term portion of finance lease obligation of \$1,863,179 and long-term convertible notes payable of \$4,812 (net of discount). The finance lease obligation was for our operations building and equipment acquired with our March 2022 acquisition of E-Cite Motors LLC, see Note 8 (Finance Lease) to the financial statements attached hereto as Exhibit A. For further information and details on convertible notes and notes payable which have been issued, see Note 5 (Notes Payable) to the financial statements attached hereto as Exhibit A and information set forth in Item 3 B above.

At March 31, 2022, we had total stockholders' deficiency of \$265,021. We have had net losses since inception and had an accumulated deficit of \$6,687,071 at March 31, 2022.

We had net cash used by operating activities of \$2,769 for the three months ended March 31, 2022. Cash of \$2,860 was provided by investing activities for the three months ended March 31, 2022 from our \$2,860 cash received with our March 2022 acquisition of E-Cite Motors LLC, and Rescue, Repair and Restoration Inc. Cash of \$100 was provided by financing activities for the three months ended March 31, 2022 as provided by a long-term convertible note payable from a corporation, offset by, our first lease payment on the finance lease obligation for \$7,900.

PART B BUSINESS INFORMATION

Item 5. Issuer's Business, Products and Services.

A. Summary of the Issuer's Business Operations.

Current Operations

We were a distributor of specialty branded e-cigarettes. Our primary brand was VAMP™, which was developed as a consequence of our entering into an exclusive licensing agreement with Vampire Brands, LLC on February 18, 2014. Prior to developing our own brands of e-cigarettes, we were a marketing and development partner for Vapor Brands, Inc., under a Private Label Manufacturing and Distribution Agreement. Effective June 30, 2013, we terminated our Private Label Manufacturing and Distribution Agreement with Vapor Brands, Inc. and are now instead developing our own brands, including VAMP™.

VaporBrands International, Inc. was attempting to develop CBD oil and its curative properties said to be in the ingredients which make up the CBD. During April 2019, VaporBrands announced launching the first CBD products available appropriately named "Tranquility", "Clarity" and "Relief". These products contained only the highest-grade full spectrum CBD in a smooth Vaping cartridge. The product does not contain any nicotine, or other addictive substances or drugs. The products are intended to give the consumer an alternative to smoking while providing them with the calming effect of the specially formulated CBD blend.

VaporBrands International, Inc. suspended all of its vaping related products effective October 31, 2019 in direct response to new concerns that have been raised as to the safety and appropriateness of the vaping industry as a whole resulting from a rise in vape related illnesses. The departure from anything vaping related will remain in effect indefinitely until vaping products have been determined to not possess any significant health risks. As a pioneer in the industry, VaporBrands has always held the highest standards possible and none of its products that were being offered since its re-birth have ever contained any nicotine nor THC. VaporBrands has always maintained its mission to be the healthy alternative to smoking and its products contained only the purest CBD in the industry for quality and safety.

During the end of 2019, we began developing our first new product stemming from VaporBrands new healthy initiative is CBD derived Massage Oil and Beard Oil for manicuring and protection of skin under the beard to keep the skin free from drying and itching.

During March 2022, VaporBrands ceased all CBD derived Oil and Beard Oil development.

On March 4, 2022, we purchased E-Cite Motors LLC for 57,000,000 shares restricted shares of the Company's common stock valued at \$313,500 or \$0.055 per share. In addition, on March 4, 2022, we purchased Auto Rescue, Repair, and Restoration Inc. dba "Acclaimed Auto Repair" for 21,000,000 restricted shares of the Company's common stock valued at \$115,500 or \$0.055 per share. On March 16th we purchased the remaining assets of N2A Motors for 20,000,000 restricted shares of the Company's common stock valued at \$178,000 or \$0.0089 per share to assist in the efforts of E-Cite and Acclaimed. We intend to put all its efforts towards the E-Cite Motors and Acclaimed Auto Repair activities. We will continue to develop E-Cites' offerings of electric road legal vehicles. We intend to change its name to one more fitting to its new business after it has received shareholder and regulatory approval.

Unlike competitors Tesla, Polestar, Lucid, VW, Ford, Jaguar, and others, E-cite is not required to meet any of the safety or other costly certifications of a traditional auto manufacturer making the ease and timeline of offering new vehicles to market significantly more favorable. Whereas the initial timeline to be able to deliver a production vehicle to market generally exceeds 3 years and often longer at a very high cost, E-Cite expects to be delivering its first production vehicles for the 2023 model year. That is less than 12 months from inception to the showroom.

This is possible because E-Cites vehicles qualify under the "Low Volume Vehicle Manufacturers Act of 2015" In 2015 Congress enacted a bill into law directing the NHTSA to establish a program allowing low volume motor vehicle manufacturers to produce a limited number of vehicles annually within a regulatory system that addresses the unique safety and financial issues associated with limited production, and to direct the EPA to allow low volume motor vehicle manufacturers to install engines from vehicles that have been issued certificates of conformity. Although they were given one year to establish this new program it took until January 2021 until the NHTSA issued a final ruling to allow low volume vehicle manufacturing. Under the act car manufacturers are exempt from all the safety standards but they must meet current emissions standards. There are no emissions standards for EV vehicles.

In addition, the Company acquired a 2.2 million dollar facility for its operations. The facility which E-Cite now occupies and has signed Commercial & Investment Real Estate Purchase and Sale Agreement dated October 5, 2021 for its location at 15812 116th Ave. N.E. Bothell, WA 98011. It is roughly a 4,000 sq ft commercial building that has been a successful auto repair shop under the previous owner for more than 20 years. It contains 4 bays with lifts (including a \$30,000 laser alignment lift) a detail bay, office space, customer lobby, a break room/kitchenette, and 2 bathrooms. It also contains two outside paved areas that can be used as is or built on for expansion. Currently, joint use of the office, customer waiting room, and 3 of the bays are leased from E-Cite Motors to Acclaimed Auto. Also included is an upstairs unit that is a 1200 sq ft (approximately) open office with a kitchenette and 3rd bathroom. It is isolated upstairs on its own floor with a separate entrance. The upstairs is leased from E-Cite to an unrelated party for a term of 10 years which increases 5% per year. The building is financed through a finance lease obligation.

E-Cite previously owned 33.33% of AAR, has completed the acquisition, and it now owns 100%.

E-cite intends to use the facility for design, R&D, prototyping, development, and corporate requirements. E-Cites production of parts and assembly of vehicles will be primarily done by a variety of partners.

On March 15, 2022, the Company signed a twelve-month Work for Hire Consulting Agreement for Gene Langmesser, the former owner of N2A Motors, to serve as the Company's Chief Operating Officer and a director of the Company. Mr. Langmesser will devote a minimum of 40 per week to the Company. Mr. Langmesser will receive \$5,000 in cash or cash equivalents per month as long as the Company's available capital performance permits the payout at the reasonable discretion of the Company. The salary increases by \$2,500 on the 60th day of the agreement, for an aggregate of \$7,500 per month. Thereafter, the salary shall increase by \$2,500 per month after each 60-day period until a threshold is reached as mutually agreed to by the Company and COO. In addition to cash considerations, Mr. Langmesser received 5,000,000 restricted shares of the Company's common stock. The shares were valued at of \$.0091 per share or \$45,500.

On March 16, 2022, the Company signed a twelve-month Work for Hire Consulting Agreement with Barry Henthorn, the Company's CEO. Mr. Henthorn will devote a minimum of 40 per week to the Company. Mr. Henthorn will continue to serve as CEO for two other public companies: Baristas Coffee Company Inc. and Reeltime Rentals Inc. Mr. Henthorn will receive \$5,000 in cash or cash equivalents per month as long as the Company's available capital performance permits the payout at the reasonable discretion of the Company. The salary increases by \$2,500 on the 60th day of the agreement, for an aggregate of \$7,500 per month. Thereafter, the salary shall increase by \$2,500 per month after each 60-day period until a threshold is reached as mutually agreed to by the Company and CEO. In addition to cash considerations, Mr. Henthorn will receive 5,000,000 restricted shares of the Company's common stock. The shares were valued at of \$.0089 per share or \$44,500. As of May 16, 2022, the shares have not been issued to Mr. Henthorn.

During March 2022, Auto Rescue, Repair, and Restoration Inc. ("AAR") entered an agreement with five individuals including Barry Henthorn, the Company's CEO to split Auto Rescue, Repair, and Restoration Inc. net profits on a monthly basis. The net profits are split as follows:

- (1) Barry Henthorn - 21.875%
- (2) Casey Dmitriev - 21.875%
- (3) Austin Renfro - 10.9%
- (4) Brandon Renfro - 10.9%
- (5) Leah Bowen - 5%

AAR retains 29.45% of the remaining net profit.

B. Describe Any Subsidiaries, Parents or Affiliated Companies, If Applicable, and a Description of Their Contact Information for the Business, Officers, Directors, Managers or Control Persons.

We have two subsidiaries purchased on March 4, 2022. The subsidiaries are E-Cite Motors LLC and Auto Rescue, Repair, Repair, and Restoration dba “Acclaimed Auto Repair”. On March 16th we purchased the assets of N2A Motors. These businesses will be the main operation of VaporBrands.

C. Principal Products or Services, and Their Markets.

As discussed previously, VaporBrands International, Inc. is heading in a completely new direction from using CBD in vape cartridges and all CBD oil products to the automotive industry with our March 2022 acquisition of E-Cite Motors LLC (“E-Cite Motors”), Auto Rescue, Repair, Repair, and Restoration dba “Acclaimed Auto Repair” and N2A Motors.

E-Cite Motors has developed a modular design that will be engineered to allow the production of vehicles utilizing a skateboard style chassis that uses hub electric motors. As the system is fully modular, this allows for configurations ranging from low powered batteries and only a single 100hp motor on up to a high powered 1000hp performance vehicle utilizing AWD 4 250hp motors.

Acclaimed Auto has long-standing success in auto repair and restoration for more than two decades and will continue to operate as it has been as an automotive repair and restoration shop generating revenues until E-Cite needs the space for its operations.

Item 6. Issuer’s Facilities.

Description of Corporate Offices

The facility which E-Cite now occupies and has signed Commercial & Investment Real Estate Purchase and Sale Agreement dated October 5, 2021 for is located at 15812 116th Ave. N.E. Bothell, WA 98011. It is roughly a 4,000 sq ft commercial building that has been a successful auto repair shop under the previous owner for more than 20 years. It contains 4 bays with lifts (including a \$30,000 laser alignment lift) a detail bay, office space, customer lobby, a break room/kitchenette, and 2 bathrooms. It also contains two outside paved areas that can be used as is or built on for expansion. Currently, joint use of the office, customer waiting room, and 3 of the bays are leased from E-Cite Motors to Acclaimed Auto. Also included is an upstairs unit that is a 1200 sq ft (approximately) open office with a kitchenette and 3rd bathroom. It is isolated upstairs on its own floor with a separate entrance. The upstairs is leased from E-Cite to an unrelated party for a term of 10 years which increases 5% per year.

We believe that our current facilities are adequate for our operations as currently conducted and if additional facilities are required, that we could obtain them at commercially reasonable prices.

PART C MANAGEMENT STRUCTURE AND FINANCIAL INFORMATION

Item 7. Officers, Directors and Control Persons.

The table below provides information regarding any person or entity owning 5% or more of any class of the Company's equity securities as of May 16, 2022, as well as any officer, and any director of the Company, regardless of the number of shares owned. Also, if any listed person are corporate shareholders or entities, information is provided as to the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information of an individual representing the corporation or entity in the Note section.

Name of Officer/Director and Control Person	Affiliation with Company (e.g., Officer/Director/Owner of more than 5%)	Residential Address (City/State only)	Number of Shares owned	Share type/class	Ownership Percentage of Class Outstanding (1)	Note
Barry Henthorn	CEO, CFO, Principal Accounting Officer, and Director	Bothell, WA	94,000,000	Common	27.9%	
Gene Langmesser	COO and Director	Corona, CA	25,000,000	Common	7.4%	
Eleanor Hodge Estate (2)	Former, CEO, CFO, Principal Accounting Officer, Secretary, Director	Spring Hill, FL	41,578,500	Common	12.3%	
Florence Montgomery	Secretary, Treasurer and Director	Bothell, WA	19,600,000	Common	5.8%	
Vapor Brands, Inc.	5%+ owner	Los Angeles, CA	27,000,000	Common	8.0%	Savoy Financial Group, Inc. (2)
Balon Bleu Holdings, LLC	5%+ owner	Phoenix, AZ	18,000,000	Common	5.3%	Laughlin Associates Inc. (3)

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

(1) As of May 16, 2022, there were 337,182,654 shares of common stock and -0- shares of preferred stock shares issued and outstanding.

(2) Ms., Hodge passed away during December 2021.

(3) Savoy Financial Group, Inc. is the resident agent for the controlling beneficial owners for this entity, Mr. Don Sullivan and Mr. Michael Sullivan. Mr. Don Sullivan and Mr. Michael Sullivan reside in Los Angeles, California.

(4) Laughlin Associates Inc. is the resident agent for the controlling beneficial owner(s) for this entity. The controlling beneficial owner(s) for this entity is unknown.

Item 8. Legal/Disciplinary History.

A. Please identify whether any of the persons listed above have, in the past 10 years, been subject to any of the following:

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

NONE

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

NONE

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

NONE

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

NONE

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

NONE

Item 9. Third Party Providers

1. Securities Counsel: Morgan E Petitti, Esq.
118 W. Streetsboro Road
Suite #317
Hudson, OH 44236
Phone no.: (330)697-8548
Email: petittilaw@gmail.com
2. Accountant: Rick Basse, CPA
Rick Basse Consulting, PLLC
244 Majestic Oak Drive
New Braunfels, Texas 78132
Phone no.: (210) 347-0374
Email: rick.basse@gmail.com
3. Investor Relations Consultant: None
4. Other Service Providers:

The name(s) of other service provider(s), including counsel, advisor(s) or consultant(s) that assisted, advised, prepared or provided information with respect to this disclosure statement, or provided assistance or services to the Company during the Reporting Period are as follows:

Name: None

Firm:

Nature of Services:

Address:

Phone:

Email:

Item 10. Issuer's Certifications.

I, Barry Henthorn, certify that:

1. I have reviewed the March 31, 2022 Quarterly Report of VaporBrands International, 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 statement, 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.

Dated: May 18, 2022.

VAPORBRANDS INTERNATIONAL, INC.

/s/ Barry Henthorn

Barry Henthorn

Chief Executive Officer/

Chief Financial Officer

Exhibit A

VAPORBRANDS INTERNATIONAL, INC.

For the Three months ended March 31, 2022 and 2021

VaporBrands International, Inc.

Consolidated Balance Sheets (Unaudited)

	March 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash	\$ 291	\$ 100
Prepaid expenses	4,615	11,894
Total current assets	<u>4,906</u>	<u>11,994</u>
Other assets		
Property, plant and equipment, net of a accumulated depreciation of \$4,748 and \$-0- as of March 31, 2022 and December 31, 2021, respectively	2,193,733	-
Intangible assets, net of accumulative amortization of \$3,158 and \$-0- March 31, 2022 and December 31, 2021, respectively	184,342	-
Goodwill	31,508	-
Other assets	142,457	-
Total other assets	<u>2,552,040</u>	<u>-</u>
Total Assets	\$ 2,556,946	\$ 11,994
Liabilities and Stockholders' Deficiency		
Current liabilities:		
Accounts payable	\$ 105,495	\$ 74,589
Accrued interest	56,117	52,670
Due to related parties	13,898	-
Current portion of finance lease obligation	61,383	-
Convertible notes payable, net of discount of \$14,096 and \$8,182 as of March 31, 2022 and December 31, 2021, respectively	84,041	72,955
Notes payable	103,000	103,000
Total current liabilities	<u>423,934</u>	<u>303,214</u>
Long term liabilities:		
Long-term finance lease obligation, net of current portion	1,863,179	-
Convertible notes payable, net of discount of \$9,688 and \$17,615 as of March 31, 2022 and December 31, 2021, respectively	4,812	5,885
Total long term liabilities	<u>1,867,991</u>	<u>5,885</u>
Total liabilities	2,291,925	309,099
Commitments and contingencies	-	-
Stockholders' Deficiency:		
Preferred stock, \$0.001 par value, 5,000,000 shares authorized; -0- shares issued and outstanding at March 31, 2022 and December 31, 2021	-	-
Common stock, \$0.001 par value, 500,000,000 shares authorized; 331,869,797 and 228,869,797 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively	331,870	228,870
Additional paid-in capital	6,564,247	6,008,881
Common stock to be issued	55,975	10,899
Accumulated deficit	(6,687,071)	(6,545,755)
Total stockholders' deficiency	<u>265,021</u>	<u>(297,105)</u>
Total Liabilities and Stockholders' Deficiency	\$ 2,556,946	\$ 11,994

The accompanying notes are an integral part of these consolidated financial statements.

VaporBrands International, Inc.
Consolidated Statements of Operations (unaudited)

	For the Three Months Ended	
	March 31, 2022	March 31, 2021
Revenue	\$ 2,249	-
Cost of Revenue	<u>1,521</u>	<u>-</u>
Gross margin	728	-
Operating expenses:		
Stock compensation	\$ 96,105	\$ 41,014
Officer and director compensation	5,000	-
Amortization and depreciation expense	7,907	1,375
General and administrative	<u>12,908</u>	<u>5,252</u>
Total operating expenses	121,920	47,641
Net operating income (loss)	(121,192)	(47,641)
Other income (expense):		
Interest expense	<u>(20,124)</u>	<u>(10,803)</u>
Total other income (expense)	<u>(20,124)</u>	<u>(10,803)</u>
Net Income (loss)	\$ <u>(141,316)</u>	\$ <u>(58,444)</u>
Basic income (loss) per share	\$ <u>(0.001)</u>	\$ <u>(0.000)</u>
Weighted average number of common shares outstanding - basic	228,869,797	218,559,141

The accompanying notes are an integral part of these consolidated financial statements.

VaporBrands International, Inc.
Statement of Changes in Stockholders' Deficiency (Unaudited)

	Common Stock		Additional			
	Shares	Amount	Paid-In Capital	Common Stock to be Issued	Accumulated Deficit	Total Stockholders' Deficiency
For the three months ended March 31, 2021						
Balance at December 31, 2020	<u>215,335,137</u>	<u>\$ 215,335</u>	<u>\$ 5,964,753</u>	<u>\$ 9,375</u>	<u>\$ (6,354,904)</u>	<u>\$ (165,441)</u>
Conversion of notes payable into shares of common stock	5,921,640	5,922	-	-	-	5,922
Discount on shares issued for notes payable	-	-	37,628	-	-	37,628
Stock based compensation	-	-	-	412	-	412
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(58,444)</u>	<u>(58,444)</u>
Balance at March 31, 2021	<u>221,256,777</u>	<u>\$ 221,257</u>	<u>\$ 6,002,381</u>	<u>\$ 9,787</u>	<u>\$ (6,413,348)</u>	<u>\$ (179,923)</u>
For the three months ended March 31, 2022						
Balance at December 31, 2021	<u>228,869,797</u>	<u>\$ 228,870</u>	<u>\$ 6,008,881</u>	<u>\$ 10,899</u>	<u>\$ (6,545,755)</u>	<u>\$ (297,105)</u>
Issuance of common stock for services	5,000,000	5,000	40,500	-	-	45,500
Issuance of common stock to acquire Ecite Motors LLC	57,000,000	57,000	256,500	-	-	313,500
Issuance of common stock to acquire N2A Motors, Inc.	20,000,000	20,000	162,000	-	-	182,000
Issuance of common stock to acquire Auto Rescue, Repair & Restoration, Inc.	21,000,000	21,000	94,500	-	-	115,500
Discount on shares issued for notes payable	-	-	1,866	-	-	1,866
Stock based compensation	-	-	-	45,076	-	45,076
Net loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(141,316)</u>	<u>(141,316)</u>
Balance at March 31, 2022	<u>331,869,797</u>	<u>\$ 331,870</u>	<u>\$ 6,564,247</u>	<u>\$ 55,975</u>	<u>\$ (6,687,071)</u>	<u>\$ 265,021</u>

The accompanying notes are an integral part of these consolidated financial statements.

VaporBrands International, Inc.

Statements of Cash Flows (Unaudited)

	For the Three Months Ended	
	March 31, 2022	March 31, 2021
Cash flows from operating activities:		
Net loss	\$ (141,316)	\$ (58,444)
Adjustments to reconcile net loss to net cash used in operating activities:		
Amortization and depreciation expense	7,906	1,375
Stock based compensation	96,105	41,014
Non-cash interest	20,124	10,803
Changes in operating assets and liabilities:		
Prepaid expenses	1,750	1,750
Accounts payable and accrued expenses	951	3,520
Account Payable, related party	11,711	-
Net cash provided by (used) in operating activities	<u>(2,769)</u>	<u>18</u>
Cash flows from investing activities:		
Cash received from acquisitions	2,860	-
Net cash provided by investing activities	<u>2,860</u>	<u>-</u>
Cash flows from financing activities		
Proceeds from convertible notes payable - long term	8,000	17,000
Payment on finance lease obligation	(7,900)	-
Net cash provided by financing activities	<u>100</u>	<u>17,000</u>
Net increase (decrease) in cash	191	17,018
Cash - beginning of the year	100	100
Cash - end of the year	<u>\$ 291</u>	<u>\$ 17,118</u>
Supplemental disclosures:		
Interest paid	\$ -	\$ -
Taxes Paid	\$ -	\$ -
Supplemental disclosure for non-cash financing activities:		
Discount on Notes Payable	\$ 1,866	\$ 37,628
Shares issued in exchange for settlement of convertible notes and accrued interest	\$ -	\$ 5,922
Issuance of common stock to acquire Ecite Motors LLC	\$ 313,500	\$ -
Issuance of common stock to acquire N2A Motors, Inc.	\$ 182,000	\$ -
Issuance of common stock to acquire Auto Rescue, Repair & Restoration, Inc.	<u>\$ 115,500</u>	<u>\$ -</u>

The accompanying notes are an integral part of these consolidated financial statements.

VAPORBRANDS INTERNATIONAL, INC.
Notes to Financial Statements (Unaudited)
As of March 31, 2022

Note 1 – ORGANIZATION AND DESCRIPTION OF BUSINESS

We were incorporated in Delaware as Quadrax Corporation on March 6, 1986. We changed our name to TTCM China, Inc. (TTCM) on December 28, 2004. We re-domesticated from Delaware to Nevada on February 28, 2012. We established a subsidiary, VaporBrands International, Inc., which was incorporated on July 9, 2012. We merged with our subsidiary, and changed our name to VaporBrands International, Inc., (“Company”) effective October 19, 2012. Although the Company has recognized some nominal amount of income since inception, the Company continues to devote substantially all of its efforts on establishing the business.

During December 2021, Eleanor Hodge, the Company CEO passed away. On December 22, 2021, Florence Montgomery, a director, was appointed CEO and Chairman of the Board of Directors.

On February 10, 2022, Barry Henthorn was appointed the Company’s CEO and Chairman of the Board of Directors and Florence Montgomery, the Company former CEO and Chairman of the Board of Directors, was appointed the Company’s Secretary and Treasurer and will remain a director of the Company. The appointment of Mr. Henthorn was considered a change in control of the Company. During March 2022, VaporBrands ceased all CBD derived Oil and Beard Oil development.

We were a distributor of specialty CBD derived Oil and Beard Oil products. During March 2022, the Company ceased all CBD derived Oil and Beard Oil development.

On March 4, 2022, the Company purchased E-Cite Motors LLC and Auto Rescue, Repair, and Restoration Inc. dba “Acclaimed Auto Repair” or “AAR”. On March 16th the Company purchased the remaining assets of N2A Motors to assist in the efforts of E-Cite and “AAR”. The Company intend to put all its efforts towards the E-Cite Motors and Acclaimed Auto Repair activities. The Company will continue to develop E-Cites’ offerings of electric road legal vehicles. The Company intend to change its name to one more fitting to its new business after it has received shareholder and regulatory approval. On March 16th 2022 Gene Langmesser, the former owner of N2A Motors, was appointed the Company’s COO and appointed to the Board of Directors.

Note 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements were prepared in conformity with generally accepted accounting principles in the United States (“US GAAP”).

Reclassification

Certain prior year amounts have been reclassified for comparative purposes to conform to the current-year financial statement presentation. These reclassifications had no effect on previously reported results of operations. In addition, certain prior year amounts from the restated amounts have been reclassified for consistency with the current period presentation.

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.

Contingencies

Certain conditions may exist as of the date the financial statements are issued, which may result in a loss to the Company, but which will only be resolved when one or more future events occur or fail to occur. The Company’s management and legal counsel assess such contingent liabilities, and such assessment inherently involves judgment. In assessing loss contingencies related to legal proceedings that are pending against the Company or unasserted claims that may result in such proceedings, the Company’s legal counsel evaluates the perceived merits of any legal proceedings or unasserted claims as well as the perceived merits of the amount of relief sought or expected to be sought.

If the assessment of a contingency indicates it is probable that a material loss has been incurred and the amount of the liability can be estimated, then the estimated liability would be accrued in the Company's financial statements. If the assessment indicates that a potential material loss contingency is not probable but is reasonably possible, or is probable but cannot be estimated, then the nature of the contingent liability, together with an estimate of the range of possible loss if determinable and material would be disclosed. Loss contingencies considered to be remote by management are generally not disclosed unless they involve guarantees, in which case the guarantee would be disclosed.

Income Taxes

The Company's policy is to provide for deferred income taxes based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates that will be in effect when the differences are expected to reverse. We did not provide any current or deferred U.S. federal income tax provision or benefit for any of the periods presented because we have experienced operating losses since inception. When it is more likely than not that a tax asset cannot be realized through future income the Company must allow for this future tax benefit. We provided a full valuation allowance on the net deferred tax asset, consisting of net operating loss carryforwards, because management has determined that it is more likely than not that we will not earn income sufficient to realize the deferred tax assets during the carryforward period.

The Company is not aware of any uncertain tax position that, if challenged, would have a material effect on the financial statements for the three months ended March 31, 2022 or during the prior three years applicable under FASB ASC 740. We did not recognize any adjustment to the liability for uncertain tax position and therefore did not record any adjustment to the beginning balance of accumulated deficit on the consolidated balance sheet. All tax returns for the Company remain open for examination.

The Company has filed all income tax returns in the U.S. federal tax jurisdiction and various state tax jurisdictions through December 31, 2018. The tax years for 2020 to 2014 remain open for examination by federal and/or state tax jurisdictions. The Company is currently not under examination by any other tax jurisdictions for any tax year.

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.

Cash and Equivalents

Cash and equivalents include cash in hand and cash in demand deposits, certificates of deposit and all highly liquid debt instruments with original maturities of three months or less. The Company had \$291 and \$100 of cash as of March 31, 2022 and December 31, 2021, respectively.

Concentration of Credit Risk

The Company maintains cash balances at financial institutions that are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. As of March 31, 2022, the Company's cash balance did not exceed FDIC coverage.

Inventory

Inventories are valued at the lower of cost (determined on a weighted average basis) or market. Management compares the cost of inventories with the market value and allowance is made to write down inventories to market value, if lower. The Company's inventory consists of products available for sale and raw materials. As the Company moved away from specialty CBD oil products, inventory of \$2.972 was written-off as impaired at December 31, 2021. The inventory balance was \$-0- at March 31, 2022 and December 31, 2021.

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 39 years for buildings. 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 indicate the 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. The Company goodwill balance was \$61,383 as of March 31, 2022.

Other Assets

Other assets consists of automobiles in various stages of restoration, security deposits and other assets not in use acquired with the March 2022 acquisitions of E-Cite Motors LLC and Auto Rescue, Repair, and Restoration Inc. We test other assets for impairment on an annual basis, or more frequently if circumstances, such as material deterioration in performance indicate carrying values may exceed the fair values. The Company other asset balance was \$142,457 as of March 31, 2022.

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.

Fair Value of Financial Instruments

For certain of the Company's financial instruments, including cash and equivalents, restricted cash, accounts receivable, accounts payable, accrued liabilities and short-term debt, the carrying amounts approximate their fair values due to their short maturities. ASC Topic 820, "Fair Value Measurements and Disclosures," requires disclosure of the fair value of financial instruments held by the Company. ASC Topic 825, "Financial Instruments," defines fair value, and establishes a six-level valuation hierarchy for disclosures of fair value measurement that enhances disclosure requirements for fair value measures. The carrying amounts reported in the consolidated balance sheets for receivables and current liabilities each qualify as financial instruments and are a reasonable estimate of their fair values because of the short period of time between the origination of such instruments and their expected realization and their current market rate of interest. The six levels of valuation hierarchy are defined as follows:

- Level 1 inputs to the valuation methodology are quoted prices for identical assets or liabilities in active markets.
- Level 2 inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs to the valuation methodology are unobservable and significant to the fair value measurement. The Company analyzes all financial instruments with features of both liabilities and equity under ASC 480, "Distinguishing Liabilities from Equity," and ASC 815.

As of March 31, 2022, and December 31, 2021, the Company did not identify any other assets and liabilities that are required to be adjusted to fair value in the accompanying consolidated balance sheet.

Revenue Recognition

Revenue is recognized when a customer obtains control of promised goods or services and is recognized in an amount that reflects the consideration that an entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The amount of revenue that is recorded reflects the consideration that the Company expects to receive in exchange for those goods. The Company applies the following five-step model in order to determine this amount: (i) identification of the promised goods in the contract; (ii) determination of whether the promised goods are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when (or as) the Company satisfies each performance obligation.

The Company only applies the five-step model to contracts when it is probable that the entity will collect the consideration it is entitled to in exchange for the goods and service transfers to the customer. Once a contract is determined to be within the scope of ASC 606 at contract inception, the Company reviews the contract to determine which performance obligations the Company must deliver and which of these performance obligations are distinct. The Company recognizes as revenues the amount of the transaction price that is allocated to the respective performance obligation when the performance obligation is satisfied or as it is satisfied. Generally, the Company's performance obligations are transferred to customers at a point in time, typically upon delivery.

Cost of Sales

Cost of revenue includes purchases, samples, inventory valuation adjustments; and costs associated with the delivery,

Stock-Based Compensation

The Company accounts for share-based compensation in accordance with the fair value recognition provisions of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") No. 718 and No. 505. The Company issues restricted stock to employees and consultants for their services. Cost for these transactions are measured at the fair value of the equity instruments issued at the date of grant. These shares are considered fully vested and the fair market value is recognized as expense in the period granted. The Company recognized consulting or employee compensation expenses and a corresponding increase to additional paid-in-capital related to stock issued for services. For agreements requiring future services, the consulting or employee expense is to be recognized ratably over the requisite service period.

Stock based compensation amounted to \$96,105 and \$41,014 for the three months ended March 31, 2022 and 2021, respectively.

Earnings Per Share (EPS)

Basic EPS is computed by dividing income available to common shareholders and equivalents by the weighted average number of common shares and equivalents outstanding for the period. Diluted EPS is computed similar to basic net income per share except that the denominator is increased to include the number of additional common shares that would have been outstanding if all the potential common shares, warrants and stock options had been issued and if the additional common shares were dilutive. Diluted EPS assumes that all dilutive convertible shares and stock options were converted or exercised. Dilution is computed by applying the treasury stock method for the outstanding options and the if-converted method for the outstanding convertible preferred shares. Under the treasury stock method, options and warrants are assumed to be exercised at the beginning of the period (or at the time of issuance, if later), and as if funds obtained thereby were used to purchase common stock at the average market price during the period. Under the if-converted method, convertible outstanding instruments are assumed to be converted into common stock at the beginning of the period (or at the time of issuance, if later). At March 31, 2022, the Company has approximately 47,591,000 potentially dilutive securities. 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.

Recently Issued Accounting Pronouncements

In August 2020, the FASB issued ASU 2020-06, Debt—Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging—Contracts in Entity's Own Equity (Subtopic 815-40)—Accounting for Convertible Instruments and Contracts in an Entity's Own Equity. ASU 2020-06 reduces the number of accounting models for convertible debt instruments and convertible preferred stock. For convertible instruments with conversion features that are not required to be accounted for as derivatives under Topic 815, *Derivatives and Hedging*, or that do not result in substantial premiums accounted for as paid-in capital, the embedded conversion features no longer are separated from the host contract. ASU 2020-06 also removes certain conditions that should be considered in the derivatives scope exception evaluation under Subtopic 815-40, *Derivatives and Hedging—Contracts in Entity's Own Equity*, and clarify the scope and certain requirements under Subtopic 815-40. In addition, ASU 2020-06 improves the guidance related to the disclosures and earnings-per-share (EPS) for convertible instruments and contract in entity's own equity. ASU 2020-06 is effective for public business entities that meet the definition of a Securities and Exchange Commission (SEC) filer, excluding entities eligible to be smaller reporting companies as defined by the SEC, for fiscal years beginning after December 15, 2021, including interim periods within those fiscal years. For all other entities, the amendments are effective for fiscal years beginning after December 15, 2023, including interim periods within those fiscal years. Early adoption is permitted, but no earlier than fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. The Board specified that an entity should adopt the guidance as of the beginning of its annual fiscal year. The Company is currently evaluation the impact this ASU will have on its consolidated financial statements.

Management believes recently issued accounting pronouncements will have no impact on the financial statements of the Company.

Note 3 – GOING CONCERN

We cannot provide assurances that the Company will be able to secure sufficient funds to satisfy the cash requirements for the next 12 months. The inability to secure additional funds would have a material adverse effect on the Company. We hope to obtain increased revenues from future sales of products and in the absence of these revenues, we hope to raise funds to meet our working capital needs through offering our securities to a private equity firm which provided capital to our Company during the three months ended March 31, 2022. We cannot guarantee that we will be able to obtain sufficient capital from this private equity firm or anyone else in the future, or that such capital, if available, will be obtainable on terms satisfactory to us.

If adequate capital is not available, our officer and director may contribute capital to the Company in the form of debt financing or equity contributions. However, our officer and director is not committed to contribute such funds. These factors raise substantial doubt about the ability of the Company to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of these uncertainties. There is no assurance that the Company will receive the necessary capital required to fund its acquisition and exploration plans. These consolidated financial statements are presented on the basis that the Company will continue as a going concern. No adjustments have been made to these consolidated financial statements to give effect to valuation adjustments that may be necessary in the event the Company is not able to continue as a going concern. The effect of those adjustments, if any, could be substantial. The Company has incurred \$6,687,071 in cumulative losses to date.

Note 4 – ACQUISITIONS/INTANGIBLES

Oasis Spectrum

On February 18, 2020, VaporBrands signed a Purchase and Sales Agreement to purchase the brand known as Oasis Spectrum. The Company intends to use the Oasis Spectrum brand to market healthy CBD products. Assets contained in the Oasis Spectrum brand include the logo, the domain name www.oasisspectrum.com, original artwork, supply chain contacts, contacts with buyers and vendors, and other meaningful IP. The Company paid the Oasis Spectrum brand owners 10,000,000 unregistered shares of the Company's common stock. The shares were valued at \$22,000 or \$0.0022 per share.

The purchase price has been allocated to the net assets acquired based upon their estimated fair values as follows:

Intangible assets – intellectual property, websites, artwork, supply chain contracts and other	\$22,000
Total	\$22,000

The fair value of the Intangible assets – intellectual property, websites, artwork, supply chain contracts and other was calculated using the net present value of the projected gross profit to be generated over the next 48 months beginning on February 18, 2020 with annual amortization of \$5,500.

As the Company is moved away from specialty CBD oil products, the remaining \$11,743 of intangible assets for the brand known as Oasis Spectrum were written-off as impaired at December 31, 2021.

E-Cite Motors LLC, Auto Rescue, Repair, and Restoration Inc & N2A Motors

On March 4, 2022, the Company purchased E-Cite Motors LLC for 57,000,000 shares restricted shares of the Company's common stock valued at \$313,500 or \$0.0055 per share. In addition, on March 4, 2022, the Company purchased Auto Rescue, Repair, and Restoration Inc. dba ("Acclaimed Auto Repair or "AAR") for 21,000,000 restricted shares of the Company's common stock valued at \$115,500 or \$0.0055 per share. On March 16th the Company purchased the remaining assets of N2A Motors for 20,000,000 restricted shares of the Company's common stock valued at \$178,000 or \$0.0089 per share to assist in the efforts of E-Cite and AAR. The aggregate shares issued of restricted shares of the Company's common stock was 98,000,000, valued at \$611,000 or \$0.0062 per share. The Company intend to put all its efforts towards the E-Cite Motors and Acclaimed Auto Repair activities. The Company will continue to develop E-Cites' offerings of electric road legal vehicles. E-Cite previously owned 33.33% of AAR, has completed the acquisition, and it now owns 100%. The Company intend to change its name to one more fitting to its new business after it has received shareholder and regulatory approval.

In addition, the Company acquired a 2.2 million dollar facility for its operations. The facility which E-Cite now occupies had a signed Commercial & Investment Real Estate Purchase and Sale Agreement dated October 5, 2021 for the facility located at 15812 116th Ave. N.E. Bothell, WA 98011. It is roughly a 4,000 sq ft commercial building that has been a successful auto repair shop under the previous owner for more than 20 years. It contains 4 bays with lifts, a detail bay, office space, customer lobby, a break room/kitchenette, and 2 bathrooms. It also contains two outside paved areas that can be used as is or built on for expansion. Currently, joint use of the office, customer waiting room, and 3 of the bays are leased from E-Cite Motors to Acclaimed Auto. Also included is an upstairs unit that is a 1200 sq ft (approximately) open office with a kitchenette and 3rd bathroom. It is isolated upstairs on its own floor with a separate entrance. The upstairs is leased from E-Cite to an unrelated party for a term of 10 years which increases 5% per year. The Company assumed this agreement on March 4, 2022. See Note 8 – FINANCE LEASE for a further discussion.

Other assets consists of automobiles for restoration, security deposits and other assets not in use.

The purchase price has been allocated to the net assets acquired based upon their estimated fair values as follows:

Total Assets:	
Cash	\$ 2,860
Property, plant and equipment	2,198,481
Intangible assets – intellectual property, CAD data, websites, design rights and other items	187,500
Goodwill	31,508
Other assets	142,457
Less Liabilities:	
Accounts payable	\$ 32,142
Finance lease liability	1,919,664
Total	\$611,000

The fair value of the Intangible assets – intellectual property, CAD data, websites, design rights and other items was calculated using the net present value of the projected gross profit to be generated over the next 60 months beginning on March 4, 2022 with annual amortization of \$37,900.

Proforma information has not been presented as it has been deemed immaterial.

Intangibles

The Company recorded amortization of intangible assets of \$3,158 and \$1,375 for the three-months ended March 31, 2022 and 2021, respectively

Note 5 – NOTES PAYABLE

	March 31, 2022		December 31, 2021	
Convertible Notes Payable (Net of debt discount of \$14,096 and \$8,182 at March 31, 2022 and December 31, 2021, respectively)	\$	84,041	\$	72,955
Notes Payable		103,000		103,000
Long-Term Convertible Notes Payable (Net of debt discount of \$9,688 and \$17,615 at March 31, 2022 and December 31, 2021, respectively)		4,812		5,885
Totals	\$	191,853	\$	181,840

As of March 31, 2022, and December 31, 2021, the Company had the following notes payable listed in chronological order:

<u>Description</u>	<u>March 31, 2022</u>	<u>December 31, 2021</u>
Note payable with interest at 0% per annum due on March 5, 2014. (1)	42,500	42,500
Note payable dated February 6, 2014 with interest at 6% per annum due on demand.	22,500	22,500
Note payable dated February 6, 2014 with interest at 6% per annum due on demand.	33,500	33,500
Note payable dated April 7, 2014 with interest at 8% per annum due on April 7, 2015. (1)	4,500	4,500
Short-Term Convertible note payable dated March 26, 2018 with interest at 10% per annum due on March 26, 2019. The loan can be converted into common stock at \$0.005 per share. (1) (2)	6,000	6,000
Long-Term Convertible note payable dated June 27, 2018 with interest at 8% per annum due on June 27, 2020. If not paid by June 27, 2020, interest will be 10% per annum. The loan can be converted into common stock at \$0.0035 per share. (1) (3)	14,283	14,283
Long-Term Convertible note payable dated November 1, 2018 with interest at 8% per annum due on November 1, 2020. The loan can be converted into common stock at \$0.002 per share. (1) (4)	8,000	8,000
Long-Term Convertible note payable dated March 6, 2019 with interest at 8% per annum due on March 6, 2021. The loan can be converted into common stock at \$0.0025 per share. (1) (5)	10,000	10,000
Long-Term Convertible note payable dated April 22, 2019 with interest at 10% per annum due on April 22, 2021. The loan can be converted into common stock at \$0.0025 per share. (1) (6)	17,000	17,000
Long-Term Convertible note payable dated June 7, 2019 with interest at 10% per annum due on June 7, 2021. The loan can be converted into common stock at \$0.003 per share. (1) (7)	8,000	8,000
Long-Term Convertible note payable dated December 3, 2020 with interest at 10% per annum due on December 3, 2022. The loan can be converted into common stock at \$0.003 per share. (8)	17,854	17,854
Long-Term Convertible note payable dated March 24, 2021 with interest at 8% per annum due on March 24, 2023. After maturity, the interest rate increases to 12%. The loan can be converted into common stock at \$0.0075 per share. (9)	17,000	17,000
Long-Term Convertible note payable dated October 31, 2021 with interest at 8% per annum due on October 31, 2023. After maturity, the interest rate increases to 12%. The loan can be converted into common stock at \$0.005 per share. (10)	6,500	6,500
Long-Term Convertible note payable dated March 8, 2022 with interest at 8% per annum due on March 8, 2024. After maturity, the interest rate increases to 10%. The loan can be converted into common stock at \$0.005 per share. (11)	8,000	-
Total	\$ 215,637	\$ 207,637

- (1) At March 31, 2022, notes above with maturity dates ranging from March 5, 2014 through June 7, 2021, totaling \$115,283, remain outstanding and in default although the holders have made no demand for settlement of the notes.
- (2) The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated \$6,000 and was recorded as a debt discount. The debt discount was amortized through the term of the note.

- (3) The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated \$14,283 and was recorded as a debt discount. The debt discount was amortized through the term of the note.
- (4) The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated \$8,000 and was recorded as a debt discount. The debt discount was amortized through the term of the note.
- (5) The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated \$10,000 and was recorded as a debt discount. The debt discount was amortized through the term of the note.
- (6) The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated \$17,000 and was recorded as a debt discount. The debt discount was amortized through the term of the note.
- (7) The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated \$8,000 and was recorded as a debt discount. The debt discount was amortized through the term of the note.
- (8) The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated \$17,854 and was recorded as a debt discount. The debt discount was amortized through the term of the note.
- (9) The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated \$17,000 and was recorded as a debt discount. The debt discount was amortized through the term of the note.
- (10) The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated \$6,500 and was recorded as a debt discount. The debt discount was amortized through the term of the note.
- (11) The Company calculated the fair value of the beneficial conversion feature as the difference between the conversion price and the fair market value of the Company's common stock into on the date of issuance. The fair value of the conversion option in connection with the note on the date of issuance aggregated \$4,640 and was recorded as a debt discount. The debt discount was amortized through the term of the note.

As of March 31, 2022, the total convertible notes payable amounted to \$136,730 which includes \$24,093 of accrued interest. The conversion price of the notes were fixed and determinable on the date of issuance and as such in accordance with ASC Topic 815 "*Derivatives and Hedging*" ("ASC 815"), the embedded conversion options of the note were not considered derivative liabilities. The beneficial conversion features of certain convertible notes are at a price below fair market value. The Company recorded interest expense on the debt discounts of \$3,879 and \$7,635 for the three months ended March 31, 2022 and 2021, respectively, in the accompanying consolidated statements of operations.

As of March 31, 2022, total notes payable (non-convertible) amounted to \$135,024 which includes \$32,033 of accrued interest.

Note 6 – STOCKHOLDERS' DEFICIT

Preferred Stock

The Company has authorized 5,000,000 shares of preferred stock with a par value of \$.001. There are no shares issued and outstanding at March 31, 2022 and December 31, 2021.

Common Stock

The Company has authorized 500,000,000 shares of common stock with a par value of \$.001. There are 331,869,797 and 228,869,797 shares issued and outstanding at March 31, 2022 and December 31, 2021, respectively.

On April 10, 2019, the Company signed an agreement with a consultant for accounting services to the Company. The consultant is compensated with cash and paid \$35 per hour in unregistered shares of the Company's common stock based on 85% of the average closing price of the Company's common stock 5 (five) days prior to date of each invoice. At March 31, 2022, the consultant has earned 134,371 restricted shares of the Company's common stock under the April 10, 2019 agreement. The stock was valued at \$0.0156 per share. As of March 31, 2022, the Company has not issued the additional shares to the consultant.

On February 10, 2021, the Company issued 5,921,640 unregistered shares of the Company's common stock in exchange for a debt conversion at the price of \$0.001 per share to fully settle \$4,000 of principal and accrued interest for a convertible promissory note dated July 18, 2017.

On August 30, 2021, the Company issued 7,613,020 unregistered shares of the Company's common stock in exchange for a debt conversion at the price of \$0.001 per share to fully settle \$5,000 of principal and accrued interest for a convertible promissory note dated November 2, 2017.

On March 4, 2022, the Company signed a Stock Sales and Purchase Agreement from a group of four individuals including the Company's CEO, to purchase Auto Rescue, Repair, and Restoration Inc. dba "Acclaimed Auto Repair" for 21,000,000 restricted shares of the Company's common stock valued at \$115,500 or \$0.0055 per share.

On March 4, 2022, the Company signed a Membership Interest Purchase Agreement from the Company's CEO, to purchase E-Cite Motors LLC for 57,000,000 shares restricted shares of the Company's common stock valued at \$313,500 or \$0.0055 per share.

On March 16, 2022, the Company signed an Asset Purchase and Sale Agreement from an individual to purchase N2A Motors for 20,000,000 restricted shares of the Company's common stock valued at \$178,000 or \$0.0089 per share.

On March 15, 2022, the Company signed a twelve-month Work for Hire Consulting Agreement with an individual to serve as the Company's Chief Operating Officer. In addition to cash considerations, the CEO received 5,000,000 restricted shares of the Company's common stock. The shares were valued at of \$.0091 per share or \$45,500.

On March 16, 2022, the Company signed a twelve-month Work for Hire Consulting Agreement with the Company's CEO. In addition to cash considerations, the Company's CEO will receive 5,000,000 restricted shares of the Company's common stock. The shares were valued at of \$.0089 per share or \$44,500. As of May 16, 2022, the shares have not been issued to the Company's CEO.

Note 7 – RELATED PARTY TRANSACTIONS

On November 15, 2016 the Company entered into a consulting agreement with James C. Hodge to become the Chief Executive Officer, Chief Financial Officer and Director in exchange for the sum of \$400 per month and the issuance of 1,500,000 shares of the Company's unregistered common stock. Additionally, the Company agreed to issue Mr. Hodge an additional 250,000 share of the Company's unregistered common stock at the end of each fiscal quarter beginning March 1, 2017. The consulting agreement terminated on April 19, 2018, upon Mr. Hodge leaving the Company for health reasons. Mr. Hodge is owed 500,000 unregistered shares under the subject agreement. On July 2, 2018, Mr. Hodge passed away. The shares were transferred to his wife, Eleanor Hodge. Ms. Hodge passed away in December 2021. As of March 31, 2022, these shares have not been issued to Ms. Hodge or her estate. The value of the unissued shares is \$9,375 or \$0.0188 per share and recorded in common stock to be issued in the accompanying consolidated balance sheet at March 31, 2022 and December 31, 2021.

In addition, Eleanor Hodge was appointed as a Director and Secretary of the Company on April 19, 2018 and has been appointed interim Chief Executive Officer and Chief Financial Officer until such time as the Company identifies and engages a permanent CEO. On June 15, 2020, the Company signed an agreement to issue Ms. Hodge 39,282,000 restricted shares of the Company Stock at a discount of \$.001 share to convert \$5,682 of unpaid director fees and \$33,600 to prepay 24 months of director fees through June 14, 2022. Ms. Hodge passed away during December 2021 and Florence Montgomery, a director of the Company, was appointed the Company's CEO.

On February 10, 2022, Barry Henthorn was appointed the Company's CEO and Chairman of the Board of Directors and Florence Montgomery, the Company former CEO and Chairman of the Board of Directors, was appointed the Company's Secretary and Treasurer and will remain a director of the Company.

On March 15, 2022, the Company signed a twelve-month Work for Hire Consulting Agreement with the former owner of N2A Motors to serve as the Company's Chief Operating Officer and a director of the Company. The Company's COO will devote a minimum of 40 per week to the Company. The COO will receive \$5,000 in cash or cash equivalents per month as long as the Company's available capital performance permits the payout at the reasonable discretion of the Company. The salary increases by \$2,500 on the 60th day of the agreement, for an aggregate of \$7,500 per month. Thereafter, the salary shall increase by \$2,500 per month after each 60-day period until a threshold is reached as mutually agreed to by the Company and COO. In addition to cash considerations, the COO received 5,000,000 restricted shares of the Company's common stock. The shares were valued at of \$.0091 per share or \$45,500.

On March 16, 2022, the Company signed a twelve-month Work for Hire Consulting Agreement for the Company's CEO. The Company's CEO will devote a minimum of 40 per week to the Company. The Company's CEO will continue to serve as CEO for two other public companies: Baristas Coffee Company Inc. and Reeltime Rentals Inc. The Company's CEO will receive \$5,000 in cash or cash equivalents per month as long as the Company's available capital performance permits the payout at the reasonable discretion of the Company. The salary increases by \$2,500 on the 60th day of the agreement, for an aggregate of \$7,500 per month. Thereafter, the salary shall increase by \$2,500 per month after each 60-day period until a threshold is reached as mutually agreed to by the Company and CEO. In addition to cash considerations, the Company's CEO will receive 5,000,000 restricted shares of the Company's common stock. The shares were valued at of \$.0089 per share or \$44,500. As of May 16, 2022, the shares have not been issued to the Company's CEO.

During March 2022, Auto Rescue, Repair, and Restoration Inc. ("AAR") entered an agreement with five individuals including the Company's CEO to split Auto Rescue, Repair, and Restoration Inc. net profits on a monthly basis. The Company's CEO will receive 21.875% of the net profits, the other four individuals receive 48.675% of the net profits and 29.45% of the net profits remain with AAR.

At March 31, 2022, and December 31, 2021, the Company's due from related parties was \$13,898 and \$-0-, respectively.

Note 8 – FINANCE LEASE

On March 4, 2022, the Company purchased E-Cite Motors LLC and acquired its facility for operations. The facility which E-Cite occupies had a signed Commercial & Investment Real Estate Purchase and Sale Agreement dated October 5, 2021 for the facility located at 15812 116th Ave. N.E. Bothell, WA 98011. It is roughly a 4,000 sq ft commercial building which was assumed by the Company. It contains 4 bays with lifts, a detail bay, office space, customer lobby, a break room/kitchenette, and 2 bathrooms. It also contains two outside paved areas that can be used as is or built on for expansion. The terms of the Commercial & Investment Real Estate Purchase and Sale Agreement contains a 36-month finance lease ending on September 4, 2024 and a \$2,222,222 buy-out provision which must be exercised before October 4, 2024. The Finance lease right of use ("ROU") assets are included in property and equipment and the finance lease obligations are presented separately in the consolidated balance sheets. When a lease does not provide an implicit interest rate, the Company used its incremental borrowing rate based on the information available at the commencement date in determining the present value of future payments. Since the finance lease grants the Company an option to purchase the underlying asset and that the Company is reasonably certain to exercise, the Company added the buy-out option to the lease payments. The FASB determined that "reasonably certain" is a high threshold, such as probability exceeding 75-80%. On date of acquisition, March 4, 2022, the Company calculated the net present value of the minimum lease payments at \$1,919,664. In addition, the Company recorded property plant and equipment at \$2,198,481 in the accompanying consolidated balance sheets.

Finance lease right-of-use assets of \$2,193,733 are presented net of accumulated amortization of \$4,738 as of March 31, 2022. For the three months ended March 31, 2022, depreciation expense was \$4,748. The finance lease obligation was \$1,924,562 as March 31, 2022, which consisted of the current portion of \$61,383 and long-term portion of \$1,863,179. For the three months ended March 31, 2022, interest expense was \$12,798.

On March 31, 2022, maturities of lease liabilities were as follows:

Year	March 31, 2022
2022	\$ 71,100
2023	94,800
2024	2,172,722
2025	-
2026	-
Total lease payments	\$ 2,338,622
Less: imputed interest	(414,060)
Total	<u>\$ 1,924,562</u>

Note 9 – SUBSEQUENT EVENTS

On April 14, 2022, the Company issued a \$30,000 convertible promissory note to a corporation. The convertible note bears interest at 8% and has a maturity date of April 14, 2024 at which time all principal and accrued interest shall be due and payable in full. Prepayment is permitted without penalty. After maturity the interest rate increases to 10%. The convertible note is convertible by the holder, at its election, into shares of the Company's common stock at an exercise price of \$.025 per share.

The Company evaluated all events or transactions that occurred after March 31, 2022 up through May 16, 2022. During this period, the Company did not have any material recognizable subsequent events.