

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

CONSERVATIVE BROADCAST MEDIA & JOURNALISM, INC.

A Nevada Corporation

5220 Jimmy Lee Smith Parkway

Ste. 104 PMB 312

Hiram, GA 30141

(Company's Address)

(877) 704-6773

(Company's telephone number)

www.cbmjinc.com

(Company's Website)

mark@cbmjinc.com

(Company's email)

7310 – Advertising

(Company's SIC Code)

QUARTERLY REPORT

For the Period Ending June 30, 2023

(the "Reporting Period")

Outstanding Shares

As of August 14, 2023, the number of shares outstanding of our Common Stock was:

17,617,170 shares

As of December 31, 2022, the Most Recent Fiscal Year End Reporting Period, the number of shares outstanding of our Common Stock was:

17,971,453 shares

Shell Status

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: ☒

Change in Control

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

Yes: ☐

No: ☒

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 Company is a Nevada corporation that was originally formed on March 9, 2004, under the name ProMana Solutions, Inc. On July 2, 2008, ProMana amended its Articles of Incorporation, and our name was changed to Crownbutte Wind Power, Inc. Thereafter, effective September 22, 2014, Crownbutte Wind Power, Inc. amended its Articles of Incorporation, and our name was changed to Canna Brands Inc. Effective June 10, 2015, Canna Brands Inc. amended its Articles of Incorporation, and our name was changed to Canna Consumer Goods Inc. Finally, effective November 6, 2020, Canna Consumer Goods Inc. amended its Articles of Incorporation, and our name was changed to Conservative Broadcast Media and Journalism, Inc.

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

The Company was originally formed as, and currently is, a Nevada corporation. The Company is currently active and is 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:

On July 8, 2022, the Company enter into an Asset Purchase Agreement with Stonewall Enterprises Inc., a company controlled by Brandon Vallorani, a former director of the Company. On August 22, 2022, an Amended Asset Purchase Agreement (the "Amended Agreement") was entered into by the Company and Stonewall Enterprises, Inc. Under the Amended Agreement, the Company sold its eCommerce business for approximately \$1,224,000 which includes return of 59,760,000 pre-split shares of the Company's common stock owned by Mr. Vallorani, which shares are valued at \$747,000 or \$0.0125 per share, in exchange for a \$747,000 credit against the \$1,224,000 purchase price. As of the end of October, 2022, the Company had cancelled all of the 59,760,000 pre-split shares of its common stock returned under the agreement. The Company recorded a loss of approximately \$3,539,000 on the sale of the eCommerce business.

On June 2, 2023, having received written consent of the Board of Directors and shareholders owning a majority of the shares entitled to vote, the Company filed a Certificate of Amendment to Articles of Incorporation whereby a 20-for-1 reverse stock split of its issued and outstanding common stock was authorized effective as of end of business on June 16, 2023. The Company's authorized capital stock remained at 500,000,000 shares of common stock and 25,000,000 shares of preferred stock. During June 2023 and in accordance with SEC Rule 10b-17 and FINRA Rule 6490, the Company submitted documents and other information to FINRA in furtherance of pursuing and obtaining approval of the subject reverse stock split. After submitting additional documents and other information to address and respond to FINRA requests, the Company received notice from FINRA that the subject 20-for-1 reverse stock split would have a market effective date of August 2, 2023. Immediately after effectiveness of the subject 20-for-1 reverse stock split, the Company had 17,617,170 shares of common stock issued and outstanding. None of the 1,000 shares of Series 2014A preferred stock and 24,999,000 shares of Series B preferred stock issued and outstanding were reduced as a result of the foregoing reverse stock split.

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

5220 Jimmy Lee Smith Parkway
Ste. 104 PMB 312
Hiram, GA 30141

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: ☒

If Yes, provide additional details below:

Not applicable

The Company has not been, at any time, a "shell company" as that term is defined in Rule 12b-2 of the Exchange Act

Item 2. Security Information.

Transfer Agent:

Worldwide Stock Transfer, LLC
One University Plaza, Suite 505
Hackensack, NJ 07666
Telephone no.: (201) 820-2008
FAX no.: (201) 820-2010
Email: info@worldwidetransfer.com

Publicly Quoted or Traded Securities:

Trading Symbol:	CBMJ
Exact title and class of securities outstanding:	Common Stock
CUSIP:	208496C 10 6
Par or Stated Value:	\$0.001 par value
Total Shares Authorized:	500,000,000 as of August 14, 2023
Total Shares Outstanding:	17,617,170 as of August 14, 2023 (1)
Total number of shareholders of record:	104 as of August 14, 2023

(1) Includes effect for the 20-to-1 reverse common stock split with an effective date of August 2, 2023.

Other classes of authorized or outstanding equity securities:

Trading Symbol:	None
Exact title and class of securities outstanding:	Series 2014A Preferred Stock
CUSIP:	None
Par or Stated Value:	\$0.001 par value
Total Shares Authorized:	1,000 as of August 14, 2023
Total Shares Outstanding:	1,000 as of August 14, 2023
Total number of shareholders of record:	3 as of August 14, 2023

Trading Symbol:	None
Exact title and class of securities outstanding:	Series B Preferred Stock
CUSIP:	None
Par or Stated Value:	\$0.001 par value
Total Shares Authorized:	24,999,000 as of August 14, 2023
Total Shares Outstanding:	24,499,000 as of August 14, 2023
Total number of shareholders of record:	6 as of August 14, 2023

Security Description:

The information below provides a summary of the material rights and privileges for each class of the equity securities issued by the Company: :

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

The holders of our common stock are entitled to one vote per share on all matters submitted to a vote of the stockholders, including the election of directors. Except as otherwise provided by law, the holders of common stock vote as one class. Generally, all matters to be voted on by stockholders must be approved by a majority (or, in the case of election of directors, by a plurality) of the votes entitled to be cast by all shares of common stock that are present in person or represented by proxy, subject to any voting rights granted to holders of any preferred stock. Except as otherwise provided by law, and subject to any voting rights granted to holders of any preferred stock, amendments to the articles of incorporation generally must be approved by a majority of the votes entitled to be cast by all outstanding shares of common stock. Subject to any preferential rights of any outstanding series of preferred stock created by our Board of Directors from time to time, the common stockholders will be entitled to share pro rata such cash dividends as may be declared from time to time by the Board from funds available. Subject to any preferential rights of any outstanding series of preferred stock, upon liquidation, dissolution or winding up of our Company, the common stockholders will be entitled to receive pro rata all assets available for distribution to such holders. There are no preemptive rights available to shareholders of our common stock.

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

The Company is authorized to issue 25,000,000 shares of preferred stock, \$0.001 par value. Our Board of Directors is vested with authority to divide the shares of preferred stock into one or more classes or series with such distinctive designation or title as they may affix. Each such class or series of preferred stock shall have such voting rights, full or limited, or no voting powers, and such preferences and relative, participating, optional or other special rights and such qualifications, limitations or restrictions thereof, as shall be stated in such resolution or designation for issuance of such class or series as may be adopted by the Board of Directors prior to the issuance of any share thereof, all in accordance with applicable law.

Pursuant to a Certificate of Designation filed on July 16, 2014 with the Nevada Secretary of State, a series of preferred stock was designated by the Board of Directors as Series 2014A Preferred Stock which consists of 1,000 shares, all of which are currently issued and outstanding. For so long as any shares of the Series 2014A Preferred Stock remain issued and outstanding, the holders thereof shall have the right to vote on all shareholder matters with the number of votes being equal to all shares of common stock then issued and outstanding plus an additional ten thousand (10,000) shares. The Series 2014A Preferred Stock do not have any dividend rights, liquidation preference, conversion rights or preemptive rights. The holders of Series 2014A Preferred Stock have a right for the Company to redeem their respective shares only upon the consent and approval of the terms and conditions of redemption upon the consent and approval from holders of at least 66-2/3% of all outstanding shares of Series 2014A Preferred Stock.

Pursuant to a Certificate of Designation filed on September 14, 2020 with the Nevada Secretary of State, a series of preferred stock was designated by the Board of Directors as Series B Preferred Stock which consists of 24,999,000 shares, all of which are currently issued and outstanding. Except as necessary for redemption, the holders of Series B Preferred Stock have no right to vote on any matter to be voted upon by shareholders of common stock. However, the holders of Series B Preferred Stock are entitled to receive cumulative dividends at the rate of 8% annually, are convertible into one share of common stock (subject to adjustment upon certain events) and upon liquidation have the right, if not converted into common stock, to receive an amount equal to any accrued but unpaid dividends and \$.001 per share for each share of Series B Preferred Stock then owned. Subject to majority approval by holders of Series B Preferred Stock, the Company shall have the right, at its option, commencing on the third anniversary of issuance to redeem, in whole or in part, any or all shares of outstanding Series B Preferred Stock by paying an amount equal to 110% of Stated Value (i.e., \$.001 per share) plus an amount equal to all accrued and unpaid dividends thereon until the date fixed for redemption.

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

In connection with the issuance of each share of Series B Preferred Stock, the holder received a Class A Warrant and a Class B Warrant. The original Class A Warrant entitles the holder to purchase one share of the Company's common stock at an exercise price of \$0.02 per share for a three-year term. As of August 14, 2023, a total of 6,250,000 Class A Warrants had been exercised and all remaining original Class A Warrants are outstanding. The original Class B Warrant entitles the holder to purchase one share of the Company's common stock at an exercise price of \$0.03 per share for a period ending on the earlier of (i) five (5) years after date of issuance of the holder's Class A Warrant or (ii) two (2) years after the last date on which the holder exercised rights under the holder's Class A Warrant. As of August 14, 2023, all of the original Class B Warrants remain outstanding.

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

As a result of the market effectiveness of the 20-for-1 reverse stock split of the Company's common stock on August 2, 2023, the following modifications occurred with respect to rights of holders of certain securities of the Company:

- The holders of Series B Preferred Stock issued and outstanding received a new, adjusted conversion right whereby twenty (20) shares of Series B Preferred Stock are henceforth converted into one (1) share of the Company's common stock;
- The holders of the 18,749,000 Class A Warrants issued and outstanding had the number of Warrants shares decreased to 937,450 Class A Warrants and the Exercise Price for each such Warrant increased to \$0.40 per Warrant share; and
- The holders of the 24,999,000 Class B Warrants issued and outstanding had the number of Warrants shares decreased to 1,249,950 Class B Warrants and the Exercise Price for each such Warrant increased to \$0.60 per Warrant share.

Item 3. Issuance History.

Disclosure under this Item 3 shall include, in chronological order and using the tabular format below, 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.

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

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

Number of Shares Outstanding as of January 1, 2021: Opening Balance: Common: 11,130,274(A) Preferred: 11,500,000									
Date of Transaction		Number of Shares issued (or cancelled)(B)	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. (disclose the control person(s) for any entities listed)	Reason for share issuance (e.g., for cash or debit conversion) OR Nature of Services Provided (C)	Restricted or Unrestricted as of this filing.	Exemption or Registration Type.
1/20/2021	New Issuance	100,000	Common	34,800	No	Mike Erskine	Consideration in acquiring business assets (1)	Restricted	Section 4(a)(2) of the 1933 Act
1/12/2021	New Issuance	2,500,000	Preferred Series B	25,000	No	Tracey Clarkson	Securities Purchase Agreement (2)	Restricted	Section 4(a)(2) of the 1933 Act
1/21/2021	New Issuance	1,500,000	Preferred Series B	15,000	No	NWBB, Inc. (Marc Hatch is the control person)	Securities Purchase Agreement (3)	Restricted	Section 4(a)(2) of the 1933 Act
2/5/2021	New Issuance	2,500,000	Preferred Series B	25,000	No	Tracey Clarkson	Securities Purchase Agreement (2)	Restricted	Section 4(a)(2) of the 1933 Act
2/8/2021	New Issuance	1,499,000	Preferred Series B	14,990	No	Michael Weathered	Securities Purchase Agreement (4)	Restricted	Section 4(a)(2) of the 1933 Act

2/10/2021	New Issuance	5,000,000	Preferred Series B	50,000	No	David Bradley SFH 2005 Family Trust (Steven Hoetze, Trustee, is the control person)	Securities Purchase Agreement (5)	Restricted	Section 4(a)(2) of the 1933 Act
3/9/2021	New Issuance	2,250,000	Common	450,000	Yes	Brandon Vallorani	Debt Conversion (6)	Restricted	Section 3(a)(9) of the 1933 Act
3/9/2021	New Issuance	375,000	Common	75,000	Yes	Gary Demar	Debt Conversion (7)	Restricted	Section 3(a)(9) of the 1933 Act
3/9/2021	New Issuance	125,000	Common	25,000	Yes	Liz Martin	Debt Conversion (8)	Restricted	Section 3(a)(9) of the 1933 Act
3/9/2021	New Issuance	200,000	Common	40,000	Yes	Raymond Vallorani	Debt Conversion (9)	Restricted	Section 3(a)(9) of the 1933 Act
3/9/2021	New Issuance	100,000	Common	20,000	Yes	Joyce Martin	Debt Conversion (10)	Restricted	Section 3(a)(9) of the 1933 Act
3/9/2021	New Issuance	100,000	Common	20,000	Yes	Lisa Desko	Debt Conversion (11)	Restricted	Section 3(a)(9) of the 1933 Act
3/9/2021	New Issuance	100,000	Common	20,000	Yes	Chris Desko	Debt Conversion (12)	Restricted	Section 3(a)(9) of the 1933 Act
3/9/2021	New Issuance	75,000	Common	15,000	Yes	James Demar	Debt Conversion (13)	Restricted	Section 3(a)(9) of the 1933 Act

3/9/2021	New Issuance	25,000	Common	5,000	Yes	Karissa Cost	Debt Conversion (14)	Restricted	Section 3(a)(9) of the 1933 Act
3/9/2021	New Issuance	15,000	Common	3,000	Yes	Tracey Clarkson	Debt Conversion (15)	Restricted	Section 3(a)(9) of the 1933 Act
3/9/2021	New Issuance	15,000	Common	3,000	Yes	Tanya Grimsley	Debt Conversion (16)	Restricted	Section 3(a)(9) of the 1933 Act
3/9/2021	New Issuance	15,000	Common	3,000	Yes	Adam Vallorani	Debt Conversion (17)	Restricted	Section 3(a)(9) of the 1933 Act
3/9/2021	New Issuance	80,000	Common	16,000	Yes	Aaron Mccaughn	Debt Conversion (18)	Restricted	Section 3(a)(9) of the 1933 Act
3/9/2021	New Issuance	125,000	Common	25,000	Yes	Jared Vallorani	Debt Conversion (19)	Restricted	Section 3(a)(9) of the 1933 Act
3/9/2021	New Issuance	25,000	Common	5,000	Yes	Jared Cost	Debt Conversion (20)	Restricted	Section 3(a)(9) of the 1933 Act
3/9/2021	New Issuance	15,000	Common	3,000	Yes	Jeff Evans	Debt Conversion (21)	Restricted	Section 3(a)(9) of the 1933 Act
5/25/2021	New Issuance	303,377	Common	364,052	Yes	Nacel Energy Corporation (Mark Schaftlein is the control person)	Debt Conversion (22)	Restricted	Section 3(a)(9) of the 1933 Act

6/15/2021	New Issuance	12,500	Common	13,225	No	Jeff Evans	Consideration in acquiring business assets (23)	Restricted	Section 4(a)(2) of the 1933 Act
6/15/2021	New Issuance	19,078	Common	7,609	Yes	Rick Basse Consulting, PLLC. (Rick Basse is the control person)	Consulting services (24)	Restricted	Section 4(a)(2) of the 1933 Act
6/8/2021	New Issuance	2,000,000	Common	2,688,000	No	USA Depot Inc. (Floyd Brown is the control person)	Consideration in acquiring business assets (25)	Restricted	Section 4(a)(2) of the 1933 Act
7/9/2021	New Issuance	580,645	Common	24,000	No	Jay Wright	Exercise Stock Warrant (26)	Restricted	Section 4(a)(2) of the 1933 Act
7/9/2021	New Issuance	25,000	Common	40,250	No	Jay Wright	Exercise Series B Preferred Stock (27)	Restricted	Section 4(a)(2) of the 1933 Act
7/9/2021	New Issuance	125,000	Common	50,000	No	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Exercise Series A Warrants (28)	Restricted	Section 4(a)(2) of the 1933 Act
7/22/2021	New Issuance	305,853	Common	24,468	Yes	Voiceflx, Inc. (Amber Finney is the control person)	Debt Conversion (29)	Restricted	Section 3(a)(9) of the 1933 Act
11/10/2021	New Issuance	125,000	Common	50,000	No	V and R Trust (Floyd Brown is the control person)	Exercise Series A Warrants (30)	Restricted	Section 4(a)(2) of the 1933 Act
11/10/2021	New Issuance	62,500	Common	25,000	No	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Exercise Series A Warrants (31)	Restricted	Section 4(a)(2) of the 1933 Act

11/10/2021	New Issuance	360,000	Common	72,000	Yes	Jay Wright	Debt Conversion (32)	Restricted	Section 3(a)(9) of the 1933 Act
11/10/2021	New Issuance	1,061,067	Common	848,853	No	Brandon Vallorani	Debt Conversion (33)	Restricted	Section 3(a)(9) of the 1933 Act
1/7/2022	New Issuance	500,000	Common	100,000	Yes	V and R Trust (Floyd Brown is the control person)	Debt Conversion (34)	Restricted	Section 3(a)(9) of the 1933 Act
1/7/2022	New Issuance	250,000	Common	50,000	Yes	Hanford Jordan	Debt Conversion (35)	Restricted	Section 3(a)(9) of the 1933 Act
1/7/2022	New Issuance	15,000	Common	12,000	No	Timothy T. Ewing	Debt Conversion (36)	Restricted	Section 3(a)(9) of the 1933 Act
1/7/2022	New Issuance	250,000	Common	50,000	Yes	Patrick Brown	Debt Conversion (37)	Restricted	Section 3(a)(9) of the 1933 Act
3/2/2022	New Issuance	25,000	Common	20,000	No	Ben P. Lee	Debt Conversion (38)	Restricted	Section 3(a)(9) of the 1933 Act
4/8/2022	New Issuance	31,250	Common	25,000	No	Brandon Vallorani	Debt Conversion (39)	Restricted	Section 3(a)(9) of the 1933 Act
4/8/2022	New Issuance	37,500	Common	30,000	No	Intelligent Investments 1, LLC (Mark E. Crone is the control person)	Debt Conversion (40)	Restricted	Section 3(a)(9) of the 1933 Act

7/8/2022	Cancellation	(2,000,000)	Common	(500,000)	No	Brandon Vallorani	Sale of eCommerce Business (41)		N/A
10/12/2022	Cancellation	(988,000)	Common	(247,000)	No	Brandon Vallorani	Sale of eCommerce Business (41)		N/A
5/5/2023	Cancellation	(354,317)	Common	(40,000)	No	Brandon Vallorani	Cancel shares to settle Company receivable (42)		N/A
6/30/2023	Adjustment	443	Common	-	No	N/A	Adjustments for 20 for 1 Reverse Split		N/A
Shares Outstanding on June 30, 2023 (43)	Ending Balance: Common: 17,617,170 Preferred: 25,000,000								

The below space provides any additional details, including footnotes to the table above:

(A) The opening balance of the number of shares of common stock as of January 1, 2021 was adjusted to reflect the 20-for-1 reverse stock split effective as of August 2, 2023.

(B) The number of shares issued (or cancelled) as set forth in this column are adjusted to reflect the 20-for-1 reverse stock split effective as of August 2, 2023.

(C) Footnotes contained in this column addressing reasons for share issuances reference the number of pre-split shares involved on the subject transaction date as opposed to number of shares adjusted for the 20-for-1 reverse stock split effective as of August 2, 2023. However, as indicated in Note B above, the number of shares issued (or cancelled) in its subject column does reflect, as of the transaction date, the number of shares adjusted for the 20-for-1 reverse stock split effective as of August 2, 2023.

(1) On December 22, 2020, the Company purchased the assets of Military Grade Coffee from Mike Erskine in exchange for 2,000,000 pre-split restricted shares of the Company's common stock, \$10,000 cash and 1,000,000 stock options to purchase the Company's restricted common shares. The subject stock options are exercisable at a \$0.015 per share cash only exercise price until their expiration date of January 12, 2024. The shares were valued at \$34,800 or \$.0174 per share and the stock options were valued at \$15,055. The 2,000,000 pre-split restricted shares were issued to Mr. Erskine on January 20, 2021.

(2) On September 11, 2020, the Company filed a Certificate of Designation whereby 24,999,000 shares of authorized preferred stock were designated as Series B Preferred stock, \$.001 par value. On January 12, 2021, Tracey Clarkson executed and delivered a Securities Purchase Agreement for the purchase of 2,500,000 units of the Company's securities for \$25,000 or \$0.01 per unit. On February 5, 2021, Ms. Clarkson purchased an additional 2,500,000 units of the Company's securities for \$25,000 or \$0.01 per unit. Each unit consists of one share of Series B Preferred Stock, a Class A warrant which entitles Ms. Clarkson to purchase one share of the Company's common stock (subject to adjustment upon certain events) at an exercise price of \$0.02 per share (subject to adjustment) for a term of three years, and a Class B warrant which entitles Ms. Clarkson to purchase one share of the Company's common stock (subject to adjustment upon certain events) at an exercise price of \$0.03 per share (subject to adjustment) for a term ending on the earlier of (i) five years after the date of issuance of the Class A Warrant, or (ii) two years after the last date the corresponding Class A Warrant was exercised.

(3) On September 11, 2020, the Company filed a Certificate of Designation whereby 24,999,000 shares of authorized preferred stock were designated as Series B Preferred stock, \$.001 par value. On January 21, 2021, NWBB, Inc. purchased 1,500,000 units of the Company's securities for \$15,000 or \$0.01 per unit. Each unit consists of one share of Series B Preferred Stock, a Class A warrant which entitles NWBB, Inc. to purchase one share of the Company's common stock (subject to adjustment upon certain events) at an exercise price of \$0.02 per share (subject to adjustment) for a term of three years, and a Class B warrant which entitles NWBB, Inc. to purchase one share of the Company's common stock (subject to adjustment upon certain events) at an exercise price of \$0.03 per share (subject to adjustment) for a term ending on the earlier of (i) 5 years after the date of five issuance of the Class A Warrant, or (ii) two years after the last date the corresponding Class A Warrant was exercised.

(4) On September 11, 2020, the Company filed a Certificate of Designation whereby 24,999,000 shares of authorized preferred stock were designated as Series B Preferred stock, \$.001 par value. On February 8, 2021, Michael Weatherred executed and delivered a Securities Purchase Agreement for the purchase of 1,499,000 units of the Company's securities for \$14,990 or \$0.01 per unit. Each unit consists of one share of Series B Preferred Stock, a Class A warrant which entitles Mr. Weatherred to purchase one share of the Company's common stock (subject to adjustment upon certain events) at an exercise price of \$0.03 per share (subject to adjustment) for a term of three years, and a Class B warrant which entitles Mr. Weatherred to purchase one share of the Company's common stock (subject to adjustment upon certain events) at an exercise price of \$0.03 per share (subject to adjustment) for a term ending on the earlier of (i) five years after the date of issuance of the Class A Warrant, or (ii) two years after the last date the corresponding Class A Warrant was exercised.

(5) On September 11, 2020, the Company filed a Certificate of Designation whereby 24,999,000 shares of authorized preferred stock were designated as Series B Preferred stock, \$.001 par value. On February 10, 2021, the David Bradley SFH 2005 Family Trust (the "Trust") (Steven Hoetze, Trustee, is the control person) executed and delivered a Securities Purchase Agreement for the purchase of 5,000,000 units of the Company's securities for \$50,000 or \$0.01 per unit. Each unit consists of one share of Series B Preferred Stock, a Class A warrant which entitles the Trust to purchase one share of the Company's common stock (subject to adjustment upon certain events) at an exercise price of \$0.02 per share (subject to adjustment) for a term of three years, and a Class B warrant which entitles the Trust to purchase one share of the Company's common stock (subject to adjustment upon certain events) at an exercise price of \$0.03 per share (subject to adjustment) for a term ending on the earlier of (i) five years after the date of issuance of the Class A Warrant, or (ii) two years after the last date the corresponding Class A Warrant was exercised.

(6) On March 9, 2021, Brandon Vallorani, the noteholder, converted \$450,000 of principal into 45,000,000 pre-split restricted shares of the Company's common stock at \$0.01 per share to partially satisfy a convertible promissory note dated October 6, 2020.

- (7) On March 9, 2021, the assignee noteholder converted \$75,000 of principal into 7,500,000 pre-split restricted shares of the Company's common stock at \$0.01 per share to partially satisfy a convertible promissory note dated October 6, 2020.
- (8) On March 9, 2021, the assignee noteholder converted \$25,000 of principal into 2,500,000 pre-split restricted shares of the Company's common stock at \$0.01 per share to partially satisfy a convertible promissory note dated October 6, 2020.
- (9) On March 9, 2021, the assignee noteholder converted \$40,000 of principal into 4,000,000 pre-split restricted shares of the Company's common stock at \$0.01 per share to partially satisfy a convertible promissory note dated October 6, 2020.
- (10) On March 9, 2021, the assignee noteholder converted \$20,000 of principal into 2,000,000 pre-split restricted shares of the Company's common stock at \$0.01 per share to partially satisfy a convertible promissory note dated October 6, 2020.
- (11) On March 9, 2021, the assignee noteholder converted \$20,000 of principal into 2,000,000 pre-split restricted shares of the Company's common stock at \$0.01 per share to partially satisfy a convertible promissory note dated October 6, 2020.
- (12) On March 9, 2021, the assignee noteholder converted \$20,000 of principal into 2,000,000 pre-split restricted shares of the Company's common stock at \$0.01 per share to partially satisfy a convertible promissory note dated October 6, 2020.
- (13) On March 9, 2021, the assignee noteholder converted \$15,000 of principal into 1,500,000 pre-split restricted shares of the Company's common stock at \$0.01 per share to partially satisfy a convertible promissory note dated October 6, 2020.
- (14) On March 9, 2021, the assignee noteholder converted \$5,000 of principal into 500,000 pre-split restricted shares of the Company's common stock at \$0.01 per share to partially satisfy a convertible promissory note dated October 6, 2020.
- (15) On March 9, 2021, the assignee noteholder converted \$3,000 of principal into 300,000 pre-split restricted shares of the Company's common stock at \$0.01 per share to partially satisfy a convertible promissory note dated October 6, 2020.
- (16) On March 9, 2021, the assignee noteholder converted \$3,000 of principal into 300,000 pre-split restricted shares of the Company's common stock at \$0.01 per share to partially satisfy a convertible promissory note dated October 6, 2020.
- (17) On March 9, 2021, the assignee noteholder converted \$3,000 of principal into 300,000 pre-split restricted shares of the Company's common stock at \$0.01 per share to partially satisfy a convertible promissory note dated October 6, 2020.
- (18) On March 9, 2021, the assignee noteholder converted \$16,000 of principal into 1,600,000 pre-split restricted shares of the Company's common stock at \$0.01 per share to partially satisfy a convertible promissory note dated October 6, 2020.

- (19) On March 9, 2021, the assignee noteholder converted \$25,000 of principal into 2,500,000 pre-split restricted shares of the Company's common stock at \$0.01 per share to partially satisfy a convertible promissory note dated October 6, 2020.
- (20) On March 9, 2021, the assignee noteholder converted \$5,000 of principal into 500,000 pre-split restricted shares of the Company's common stock at \$0.01 per share to partially satisfy a convertible promissory note dated October 6, 2020.
- (21) On March 9, 2021, the assignee noteholder converted \$3,000 of principal into 300,000 pre-split restricted shares of the Company's common stock at \$0.01 per share to partially satisfy a convertible promissory note dated October 6, 2020.
- (22) On May 25, 2021, the Company issued 6,057,537 pre-split restricted shares of the Company's common stock at \$364,052 or \$0.06 per share to satisfy an amount due Nacel Corporation (Mark Schaftlein, the Company's CEO, is the control person).
- (23) On March 9, 2021, the Company purchased the assets of J. Vincent Creative Digital Marketing Agency and ChristianRebelNation.com from Jeff Evans in exchange for 250,000 pre-split restricted shares of the Company's common stock valued at \$13,225, or \$0.0529 per share.
- (24) On October 19, 2020, the Company signed an agreement with a consultant to provide 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 five (5) days prior to the date of each invoice. The consultant has earned 131,557 pre-split restricted shares under the agreement valued at \$4,509 or \$0.0343 per share. In addition, the consultant was granted 250,000 pre-split restricted shares of the Company's common stock valued at \$3,100, or \$0.0124 per share for signing the agreement. An aggregate of 381,557 pre-split shares were issued to the consultant on June 15, 2021.
- (25) On June 4, 2021, the Company acquired 100% of the various assets owned and employed by USA Depot, Inc. (Floyd Brown is the control person) in its operation of an e-commerce business that distributes and sells Conservative and Christian themed supplies, apparel, pins, flags, patriotic gifts, glasses, novelties, books, DVDs and more. In exchange, USA Depot, Inc, received 40,000,000 pre-split restricted shares of the Company's common stock, valued at \$2,688,000 or \$0.0672 per share.
- (26) On July 9, 2021, the Company issued 11,612,903 pre-split restricted shares of the Company's common stock to Jay Wright for the exercise of warrants dated October 1, 2020. 6,000,000 warrants were exercised under a cashless exercise provision for 5,612,903 pre-split restricted shares of the Company's common stock and 6,000,000 warrants were exercised upon payment of \$24,000, or \$0.004 per share, for issuance of 6,000,000 pre-split restricted shares of the Company's common stock.
- (27) On July 9, 2021, the Company issued 500,000 pre-split restricted shares of the Company's common stock to Jay Wright upon the conversion of 500,000 shares of Series B Preferred Stock dated February 3, 2021, purchased for \$40,250 or \$0.0805 per share.
- (28) On July 9, 2021, the Company issued 2,500,000 pre-split restricted shares of the Company's common stock to Capital Consulting, Inc. (Mark Schaftlein, the Company's CEO, is the control person) upon the exercise of Class A warrants dated October 29, 2020. 2,500,000 Class A warrants were exercised upon the payment of \$50,000, or \$.02 per share, for 2,500,000 pre-split restricted shares of the Company's common stock.

- (29) On July 22, 2021, the Company issued 6,117,065 pre-split shares of the Company's common stock upon conversion, at \$.004 per share, of all principal and accrued interest in the amount of \$24,468 due and owing under a convertible promissory note dated July 14, 2014 payable to Voiceflox, Inc. (Amber Finney is the control person).
- (30) On November 10, 2021, V and R Trust (Floyd Brown is the control person) exercised Class A warrants dated October 29, 2020. The 2,500,000 Class A warrants were exercised upon payment of \$50,000, or \$.02 per share, for 2,500,000 pre-split restricted shares of the Company's common stock.
- (31) On November 10, 2021, Capital Consulting, Inc. (Mark Schaftlein, the Company's CEO, is the control person) exercised Class A warrants dated October 29, 2020. The 1,250,000 Class A warrants were exercised upon payment of \$25,000, or \$.02 per share, for 1,250,000 pre-split restricted shares of the Company's common stock.
- (32) On October 7, 2021, Jay Wright converted \$72,000 of principal owing under the October 6, 2020 convertible promissory note, at \$0.01 per share, into 7,200,000 pre-split restricted shares of the Company's common stock to partially satisfy the note. The shares were issued to Mr. Wright on November 10, 2021.
- (33) On October 8, 2021, the Company authorized an allonge to change the conversion rate from \$0.01 per share to \$0.04 per share on \$800,000 of the \$1,000,000 in principal owing and \$48,853.20 of accrued interest owing under an October 6, 2020 convertible promissory note payable to Brandon Vallorani, a related party. On October 8, 2021, Mr. Vallorani converted, at \$0.04 per share, \$848,853 of principal and accrued interest owing under the subject October 6, 2020 convertible promissory note into 21,221,330 pre-split restricted shares of the Company's common stock to partially satisfy the note. The shares were issued to Mr. Vallorani on November 10, 2021.
- (34) On November 11, 2021, V and R Trust (Floyd Brown is the control person), the assignee noteholder, converted \$100,000 of principal into 10,000,000 pre-split restricted shares of the Company's common stock at \$0.01 per share to partially satisfy a convertible promissory note dated October 6, 2020. The shares were issued on January 7, 2022.
- (35) On October 22, 2021, Hanford Jordan, the assignee noteholder, converted \$50,000 of principal into 5,000,000 pre-split restricted shares of the Company's common stock at \$0.01 per share to partially satisfy a convertible promissory note dated October 6, 2020. The shares were issued on January 7, 2022.
- (36) On December 10, 2021, Timothy T. Ewing, as assignee, converted \$12,000 of a Company payable into 300,000 pre-split restricted shares of the Company's common stock at \$0.04 per share to partially satisfy a portion of the remaining \$87,000 due under a \$132,000 contractual payment obligation under the Securities Purchase Agreement dated October 6, 2020, whereby DeDonato was acquired. The shares were issued on January 7, 2022.
- (37) On October 22, 2021, Patrick Brown, the assignee noteholder, converted \$50,000 of principal into 5,000,000 pre-split restricted shares of the Company's common stock at \$0.01 per share to partially satisfy a convertible promissory note dated October 6, 2020. The shares were issued on January 7, 2022.
- (38) On March 2, 2022, Ben P. Lee, as assignee, converted \$20,000 of a Company payable into 500,000 pre-split restricted shares of the Company's common stock at \$0.04 per share to fully satisfy the final portion of the remaining \$87,000 due under a \$132,000 contractual payment obligation under the Security Purchase Transaction dated October 6, 2020, whereby DeDonato was acquired. The shares were issued on March 2, 2022.

(39) On February 9, 2022, Brandon Vallorani converted \$25,000 of a Company payable into 625,000 pre-split restricted shares of the Company's common stock at \$0.04 per share to partially satisfy a portion of the remaining \$87,000 due under a \$132,000 contractual payment obligation under the Securities Purchase Agreement dated October 6, 2020, whereby DeDonato was acquired. The shares were issued on April 8, 2022.

(40) On February 9, 2022, Intelligent Investors 1, LLC, as assignee, converted \$30,000 of a Company payable into 750,000 pre-split restricted shares of the Company's common stock at \$0.04 per share to partially satisfy a portion of the remaining \$87,000 due under a \$132,000 contractual payment obligation under the Securities Purchase Agreement dated October 6, 2020, whereby DeDonato was acquired. The shares were issued on April 8, 2022.

(41) Pursuant to the terms of the Asset Purchase Agreement dated July 8, 2022, as amended on August 22, 2022, Brandon Vallorani agreed to transfer and assign to the Company a total of 59,760,000 of his pre-split shares of the Company's common stock in exchange for a \$747,000 credit against the \$1,224,000 purchase price paid on the sale of the Company's eCommerce assets. On October 7, 2022, the 40,000,000 pre-split shares returned by Mr. Vallorani to the Company were cancelled. The remaining 19,760,000 pre-split shares were cancelled on October 12, 2022.

(42) On April 5, 2023 the Company signed the Second Amended Purchase Agreement with Stonewall Enterprises (Brandon Vallorani, a former director of the Company, is the Control person). The agreement modifies the July 8, 2022, Asset Purchase Agreement with Stonewall Enterprises Inc. to extend certain payments and provide a credit against a portion of the purchase price due on January 9, 2023 for \$40,000. To satisfy the \$40,000 due on January 9, 2023, Mr. Vallorani assigned to the Company his 7,086,300 pre-split shares of the Company's common stock. The stock was valued at \$40,000 or \$0.005645 per share. During May 2023, the Company cancelled the 7,086,300 pre-split shares.

(43) As of June 30, 2023, the following shares were not issued:

- On July 9, 2021, the Company signed an agreement with Rick Basse Consulting PLLC (Rick Basse is the control person) for accounting services to the Company. Mr. Basse is compensated with cash and paid \$25 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 five (5) days prior to the date of each invoice. The consultant has earned 507,660 pre-split shares under the agreement valued at \$6,500 or \$0.0128 per share. The shares were not issued to Mr. Basse at August 14, 2023.

B. Promissory and Convertible Notes.

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

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

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g., pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder (disclose the control person(s) for any entities listed)	Reason for Issuance (e.g., Loan, Services, etc.)
March 29, 2010	111,323	100,000	86,356	December 31, 2015	Indebtedness convertible to common shares at \$0.004 per Share	Catherine C. Coleman	Loan (1)
March 26, 2014	5,904	2,500	3,404	March 26, 2015	Indebtedness convertible to common shares at \$0.0025 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
May 27, 2014	5,881	2,500	3,381	May 27, 2015	Indebtedness convertible to common shares at \$0.0025 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
June 25, 2014	4,679	2,000	2,679	June 25, 2015	Indebtedness convertible to common shares at \$0.0025 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
July 16, 2014	7,613	25,000	4,113	July 16, 2015	Indebtedness convertible to common shares at \$0.004 per Share	V and R Trust (Floyd Brown is the control person)	Loan (2)
July 16, 2014	29,151	12,500	16,651	July 16, 2015	Indebtedness convertible to common shares at \$0.004 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
July 18, 2014	26,677	12,500	14,177	July 18, 2015	Indebtedness convertible to common shares at \$0.004 per Share	Murray Fleming	Loan (3)
September 10, 2014	11,534	5,000	6,534	September 10, 2015	Indebtedness convertible to common shares at \$0.0125 per Share	V and R Trust (Floyd Brown is the control person)	Loan
September 10, 2014	11,534	5,000	6,534	September 10, 2015	Indebtedness convertible to common shares at \$0.0125 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan

September 12, 2014	11,534	5,000	6,534	September 12, 2015	Indebtedness convertible to common shares at \$0.0125 per Share	V and R Trust (Floyd Brown is the control person)	Loan
September 29, 2014	23,022	10,000	13,022	September 29, 2015	Indebtedness convertible to common shares at \$0.0125 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
September 30, 2014	23,000	10,000	13,000	September 30, 2015	Indebtedness convertible to common shares at \$0.0175 per Share	Ket Meeker	Loan
October 2, 2014	34,502	15,000	19,502	October 2, 2015	Indebtedness convertible to common shares at \$0.0175 per Share	V and R Trust (Floyd Brown is the control person)	Loan
October 9, 2014	11,489	5,000	6,489	October 9, 2015	Indebtedness convertible to common shares at \$0.0175 per Share	Prime Vector LLC (Barry Henthorn is the control person)	Loan
October 14, 2014	11,489	5,000	6,489	October 14, 2015	Indebtedness convertible to common shares at \$0.0175 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
October 14, 2014	22,976	10,000	12,976	October 14, 2015	Indebtedness convertible to common shares at \$0.0175 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
January 26, 2015	11,239	5,000	6,239	January 26, 2016	Indebtedness convertible to common shares at \$0.0125 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
January 28, 2015	11,239	5,000	6,239	January 28, 2016	Indebtedness convertible to common shares at \$0.0125 per Share	Garrett Vogel	Loan
March 19, 2015	11,141	5,000	6,141	March 19, 2016	Indebtedness convertible to common shares at \$0.0125 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
April 29, 2015	11,042	5,000	6,042	April 29, 2016	Indebtedness convertible to common shares at \$0.005 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
May 2, 2017	95,454	50,000	45,454	May 2, 2018	Indebtedness convertible to common shares at \$0.01 per Share	Barry Henthorn	Payment to acquire Loudmouth Media, Inc.
March 1, 2018	8,812	5,000	3,812	March 1, 2019	Indebtedness convertible to common shares at \$0.004 per Share	V and R Trust (Floyd Brown is the control person)	Loan

June 20, 2018	4,292	2,500	1,792	June 20, 2019	Indebtedness convertible to common shares at \$0.0025 per Share	V and R Trust (Floyd Brown is the control person)	Loan
October 6, 2020	2,687	72,000	2,687	October 6, 2025	Indebtedness convertible to common shares at \$0.01 per Share	Bradberry Securities, Inc. (Jay Wright is the control person)	Loan (4)
March 3, 2022	108,634	100,000	8,634	March 3, 2024	Indebtedness convertible to common shares at \$0.01 per Share	Jeffery Jordon	Loan
March 3, 2022	78,135	115,000	13,135	March 3, 2024	Indebtedness convertible to common shares at \$0.01 per Share	Floyd Lifiable Media (Floyd Brown is the control person)	Loan (5)
March 3, 2022	99,570	90,000	9,570	March 3, 2024	Indebtedness convertible to common shares at \$0.01 per Share	Capital Consulting, Inc. (Mark Schaftlein is the control person)	Loan
November 10, 2022	15,795	15,000	795	November 10, 2024	Indebtedness convertible to common shares at \$0.005 per Share	Town & Country Consultants, Inc. (Christopher Kavanaugh is the control person)	Loan

The space below provides any additional details, including footnotes to the table above:

- (1) On July 14, 2014, the Company issued an amended and restated \$100,000 promissory note payable to a note holder which consolidated, amended and restated the terms of the original \$100,000 promissory note dated March 29, 2010 payable to the note holder. The amended and restated note bears interest at 12% and has a new maturity date of December 31, 2015. In addition, at any time, the holder of the amended note may convert indebtedness due on the amended note into shares of the Company's common stock at an exercise price of \$.004 per share. After the due date, the interest rate on the amended note increases to 15%. During October 2014, \$25,000 of principal was converted into 6,250,000 pre-split restricted shares of the Company's common stock at \$.004 per share. During January and February 2015, \$43,333 of principal was converted into 10,833,250 pre-split restricted shares of the Company's common stock at \$.004 per share. On October 15, 2015, an entity converted \$6,700 into 1,675,000 pre-split shares of the Company's common stock at \$.004 per share.
- (2) On January 5, 2018, the trust note holder converted \$32,027 of indebtedness due under the convertible promissory note into 8,006,850 pre-split restricted shares of the Company's common stock at \$0.080 per share to partially satisfy the obligation.
- (3) On June 23, 2021, the Company and Mr. Fleming executed a Note Repayment Agreement pursuant to which the Company agreed to make monthly installment payments to Mr. Fleming, with each monthly installment payment being in an amount sufficient to repay in full outstanding amounts due and owing on a specific convertible note. A total of \$26,677 remains due under the repayment schedule, being payable in installment amounts due after June 30, 2023.

- (4) On November 10, 2021, Bradberry Securities, Inc. (Jay Wright is the control person) converted \$72,000 of principal due under the convertible promissory note into 7,200,000 pre-split restricted shares of the Company's common stock at \$.01 per share to partially satisfy the obligation.
- (5) Pursuant to the terms of the Asset Purchase Agreement dated May 1, 2023, Lifiable Media, Inc. (Floyd Brown a director of the Company is the control person) acquired an asset of the Company. Under the agreement, Mr. Brown partially cancelled \$50,000 of principal from a promissory note dated March 3, 2022.

Item 4. Issuer's Business, Products and Services.

A. Summary of the Issuer's Business Operations.

Current Operations

The Company commenced a transition in its business focus and operations as a result of the sale of its eCommerce business on July 8, 2022 under the terms of an Asset Purchase Agreement entered into with Stonewall Enterprises, Inc. (an entity controlled by Brandon Vallorani, a former director of the Company). See Item 1 above for further information on this sale transaction and its general terms. The sale of the eCommerce business occurred based on a series of events and factors over the last year including, without limitation, a substantial reduction in recent revenues attributable to Apple's privacy changes in April 2021 allowing iPhone users to opt-out from being tracked by digital advertiser platforms (e.g., Facebook and Google) thereby reducing efficiency of targeted advertising by 50 – 80 percent, the inability to establish or successfully pursue alternative means of reaching existing and/or new customers in an effort to stabilize and increase revenues, and ongoing inflation pressures and concerns which adversely impacted product orders and revenues generated from our clients and targeted audiences. The Company, through its wholly owned subsidiary DeDonato Enterprises, LLC, will concentrate and focus upon those aspects of its business which were retained and not sold including, without limitation, providing website hosting, design, marketing/advertising and monetarization services, providing consulting services to a conservative/libertarian audience and continued operation of a marquis site www.flagandcross.com.

On April 5, 2023, the Company signed the Second Amended Purchase Agreement with Stonewall Enterprises (Brandon Vallorani, a former director of the Company, is the Control person). The agreement modifies the July 8, 2022, Asset Purchase Agreement with Stonewall Enterprises Inc. to provide a credit against the \$40,000 payment due on January 9, 2023 in form of 7,086,330 pre-split shares of the Company's common stock owned by Mr. Vallorani and assigned to the Company. The stock was valued at \$40,000 or \$0.005645 per share. The Company cancelled these shares in May 2023. The agreement extended the \$40,000 payment due on April 9, 2023 from Stonewall to April 9, 2024. In addition, the agreement extends the last \$6,909 monthly payments due on February 15, 2023 to September 15, 2023 and extends the March 15, 2023 and April 15, 2023 monthly payments of \$7,018 to October 15, 2023 and November 15, 2023, respectively.

On May 1, 2023, the Company signed an Asset Purchase Agreement with Lifiable Media, Inc. (Floyd Brown, a director of the Company, is the control person) (“LMI”) and Stonewall Enterprises (Brandon Vallorani, a former director of the Company, is the control person) (“Stonewall”) whereby the Company sold to LMI two domain names (including the Flag and Cross domain name) and a Flag and Cross email list (“Purchased Assets”). Due to potential overlap related to assets purchased by Stonewall under the terms of an Asset Purchase Agreement dated July 8th 2022 discussed above, Stonewall agreed to take necessary actions and execute appropriate documents to (a) cause a Facebook page to be renamed to remove any association with, or affiliation with, the Flag and Cross domain acquired by LMI, and (b) cease use of the Flag and Cross domain for use in distributing emails. In exchange for the Purchased Assets, the Company received consideration in the amount of \$136,158.19 consisting of an LMI payment of \$40,000 in eight equal \$5,000 monthly installments, cancellation of certain \$10,000 short term advances made by LMI to the Company, a partial cancellation of \$50,000 payable to LMI under a \$110,000 promissory note dated March 3, 2022, and cancellation of \$36,158 accounts payable due and owing to LMI.

The Company’s CEO hosts a political and economic show called The Schafflein Report. The show may be viewed Monday through Thursday at 5:00 p.m. EST at www.schaffleinreport.com. The report may also be viewed at 5:00 p.m. EST on www.facebook.com, www.rumble.com, www.youtube.com, Apple I tunes, Amazon Audible, Spotify and iHeartRadio.

Material Contracts

On June 23, 2021, the Company and Mr. Fleming, a note holder, executed a Note Repayment Agreement pursuant to which the Company agreed to make monthly installment payments to Mr. Fleming, with each monthly installment payment being in an amount sufficient to repay in full outstanding amounts due and owing on a specific convertible note. In accordance with the terms of the subject Agreement, the Company paid, prior to June 30, 2023, \$38,212 to Mr. Fleming which fully paid and satisfied all amounts due and owing on certain convertible notes dated February 3, 2014, April 4, 2014, May 27, 2014, June 19, 2014, September 10, 2014 and October 3, 2014. Currently, a total of \$26,677 remains due on the convertible note dated July 18, 2014 under the repayment schedule, being payable in installment amounts due after June 30, 2023. For further information concerning the remaining convertible note to be paid under this Agreement, see Item 3B above (footnote (3) to the note table).

On January 10, 2022, the Company and Hanford Jordan entered into a Management Agreement whereby Mr. Jordan was hired as CEO of our subsidiary DeDonato Enterprises/Patriot Depot while the respective operations are merged and consolidated. Mr. Jordan receives monthly compensation of \$10,000 until December 31, 2022 and on a month-to-month term thereafter. The agreement was terminated on May 31, 2022 at which time Mr. Jordan ceased performing any services as CEO of our subsidiary DeDonato Enterprises/Patriot Depot.

B. List the issuers subsidiaries, parents or affiliated companies.

As disclosed in Item 5A above, the Company continues to have one principal subsidiary, DeDonato Enterprises, LLC, in which certain retained media and consulting services are conducted after the sale, on July 8, 2022, of our eCommerce business pursuant to an Asset Purchase Agreement entered into with Stonewall Enterprises, Inc. (an entity controlled by Brandon Vallorani, a former director of the Company).

C. Describe the issuers' principal Products or Services.

Subsequent to the sale, on July 8, 2022, of its eCommerce business to Stonewall Enterprises, Inc. (an entity controlled by Brandon Vallorani, a former director), the Company will concentrate and focus upon those aspects of its businesses which were retained. Thus, the Company will continue to provide website hosting, design, marketing/advertising and monetarization services in addition to operating www.flagandcross.com. The Company continues to provide consulting services geared to a conservative/libertarian audience. Finally, the Company continues to own an extensive email database that we periodically rent and/or sell a small portion thereof.

In transitioning away from the eCommerce business, which was sold in early July, 2022, the Company envisions that it will seek other business opportunities which are profitable and can be successfully integrated into our retained business operations and activities. There are no assurances as to when, or if, the Company may locate other business opportunities which it may pursue, the extent to which such business opportunities may be profitable, or how easy or difficult any potential business opportunity may be integrated into our retained business operations and activities.

Item 5. Issuer's Facilities.

The Company has no leases or owned property. All the Company's consultants work remotely.

Item 6. Officers, Directors and Control Persons.

The table below provides information, as of August 14, 2023, regarding any officers, or directors of the Company, individuals or entities controlling more than 5% of any class of the issuer's securities, or any person that performs a similar function, regardless of the number of shares they own. Also, if any listed persons 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 (City, State) of an individual representing the corporation or entity in the note section.

On May 3, 2023, Mr. Brandon Vallorani resigned as a director of the Company.

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

The goal of this Item 6 is to provide an investor with a clear understanding of the identity of all the persons or entities that are involved in managing, controlling or advising the operations, business development and disclosure of the issuer, as well as the identity of any significant or beneficial shareholders.

Name of Officer/Director or Control Person	Affiliation with Company (e.g., Officer/Director/Owner of more than 5%)	Residential Address (City/State only)	Number of Shares owned(1)	Share type/class	Ownership Percentage of Class Outstanding (2)	Names of control person(s) if a corporate entity
Mark Schaftlein	Chief Executive Officer, Chief Financial Officer and Director	Delray Beach, FL	None	None	0.0%	
Capital Consulting, Inc.	5%+ owner	Delray Beach, FL	3,108,175 500 10,000,000	Common 2014A Pref. Series B Pref.	17.6% 50% 40.8%	Mark Schaftlein (3)
Floyd Brown	Director	Henderson, NV	2,625,000(4) 250	Common 2014A Pref.	14.9% 25%	
Ronald Henthorn	5%+ owner	Kirkland, WA	1,553,125 250	Common 2014A Pref.	8.8% 25%	
Jay Wright	5%+ owner	Potomac, MD	965,645	Common	5.5%	

The space below provides any additional details, including footnotes to the table above:

(1) The number of shares of common stock referenced in this column reflects the 20-for-1 reverse stock split effective as of August 2, 2023.

(2) As of August 14, 2023, issued and outstanding shares consisted of 17,617,170 shares of common stock, 1,000 shares of Series 2014A preferred stock and 24,999.000 shares of Series B preferred stock.

(3) Mr. Schaftlein, the Company's CEO, is the sole owner, officer and director of Capital Consulting, Inc. and resides in Delray Beach, Florida.

(4) Includes 2,500,000 pre-split shares owned by V and R Trust (Floyd Brown is trustee and, together with his spouse, the beneficiaries) and 40,000,000 pre-split shares owned by USA Depot, Inc. (Floyd Brown is director and principal officer and V and R Trust is principal shareholder).

Item 7. Legal/Disciplinary History.

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

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

None

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

None

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

None

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

None

B. Describe briefly any material pending legal proceedings, other than ordinary routine litigation incident to the business, to which the issuer or any of its subsidiaries is a party or which any of their property is 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 8. Third Party Providers

Securities Counsel (Counsel preparing Attorney Letters):

Patrick J. Russell, Esq.
Allen Vellone Wolf Helfrich & Factor, P.C.
1600 Stout Street, Suite 1900
Denver, Colorado 80202
Phone no.: (303) 534-4499
Email: prussell@allen-vellone.com

Accountant or Auditor:

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

Investor Relations: None

All other means of Investor Communication:

Twitter:	Yes
Discord:	No
LinkedIn:	Yes
Facebook:	Yes
YouTube:	Yes
TikTok:	Yes
Instagram:	Yes

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: Jay O. Wright

Firm: Bayberry Capital, Inc.

Nature of Services: Consulting and Advisory Services including financial and legal advisory services related to potential merger and acquisition transactions, legal advice, business development and/or regulatory issues of the Company.

Address: 9812 Falls Road #114-299, Potomac, MD 20854

Phone: (301) 524-4759

Email: jwright22@msn.com

Item 9. 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 qualifications of the person who prepared the financial statements: The accountant is a CPA licensed by the Texas State Board of Public Accountancy.

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 Shareholders' Equity
- F. Statement of Cash Flows;
- G. Financial Notes; and
- H. Audit letter, if audited (the Company was not Audited)

Management's Discussion and Analysis or Plan of Operation.

A. Plan of Operation. For the six months ended June 30, 2023, we generated \$181,760 in revenues and produced a net loss of \$245,871. We have an accumulated deficit since inception of \$15,886,051. On July 8, 2022, we sold our eCommerce business to Stonewall Enterprises Inc., a company controlled by Brandon Vallorani (a former director of the Company) and reported a \$3,538,727 loss on the sale of the business. We will focus on increasing our profitability from operations arising from, and related to, our consulting, other businesses and new business opportunities.

For the foreseeable future, we intent to seek new opportunities to expand our business. However, our operating plan is dependent upon our ability to generate continued revenues from our business operations, conserve existing cash resources and the ability to obtain additional capital through equity financing and/or debt financing in an effort to provide the necessary funds and cash flow to meet our obligations on a timely basis and to operate our current business in an efficient and economical manner. In the event that we are unable to generate revenues from our business operations, conserve existing cash resources and/or obtain the additional and necessary capital, we may have to cease or significantly curtail various portions of our business operations. This could materially impact on our ability to continue as a going concern for a reasonable period of time.

Liquidity and Capital Resources

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. Since our inception, we have had limited revenues until October 2020, and, accordingly, have incurred losses from our operations. At June 30, 2023, we have an accumulated deficit since inception of \$15,886,051. For the six months ended June 30, 2023, we achieved approximately \$181,760 of revenues and a net loss of \$245,871. We anticipate being able to generate substantial future annual revenues, but there are no assurances as to the amount of future revenues which may be generated.

As of June 30, 2023, we had cash of \$21,548 and a working capital deficit of \$995,714. This compares to cash of \$56,353 and a working capital deficit of \$661,458 at December 31, 2022. The increase of working capital deficit of \$334,255 is primarily attributable to reclasses of long-term convertible notes to short term convertible notes.

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

Results of Operations for the three months ended June 30, 2023 compared to the three months ended June 30, 2022:

Overview. We had \$88,080 and \$593,615 of revenues for the three months ended June 30, 2023 and 2022, respectively. There were net losses of \$108,162 and \$397,233 for the three months ended June 30, 2023 and 2022, respectively. The decrease in net loss of \$289,071 is attributable to the factors discussed below.

Revenues. We generated revenues of \$88,080 and \$593,615 during the three months ended June 30, 2023 and 2022, respectively. The decrease of \$505,535 is attributable to our sale of the eCommerce business on July 8, 2022. With the sale of our eCommerce business to Stonewall Enterprises Inc., a company controlled by Brandon Vallorani, a former director of the Company, our remaining consulting and other business generated revenues of \$88,080 for the three months ended June 30, 2023. Accordingly, we will look for new opportunities to grow our business.

Gross Margin. Once cost of revenue and other expenses to generate revenue are considered, we had gross margins of \$62,031 (being 70% of revenue) and \$216,637 (being 37% of revenue) from our operations for the three months ended June 30, 2023 and 2022, respectively. The \$154,606 decrease in gross margin is attributable to our sale of the eCommerce business on July 8, 2022.

Expenses. Our operating expenses were \$116,254 and \$547,227 for the three months ended June 30, 2023 and 2022, respectively. The decrease of \$430,973 was primarily attributable to our sale of the eCommerce business on July 8, 2022 as we reported an approximate \$186,000 decrease in salaries, general and administrative expenses decreased by approximately \$71,000 and an approximate \$24,000 decrease in amortization and depreciation expense, offset an approximate \$12,000 increase in professional fees. In addition, our stock-based compensation decreased by approximately \$162,000 from lower warrant compensation.

Other Income (Expense). Our total other income (expense) was (\$53,939) and (\$66,643) for the three months ended June 30, 2023 and 2022, respectively. The decrease of \$12,704 was attributable to a \$5,300 decrease in other expense related to the change in market value of our marketable securities and a \$7,449 impairment loss during the three months ended June 30, 2022, offset by a \$45 increase in interest expense from our convertible notes payable.

Results of Operations for the six months ended June 30, 2023 compared to the six months ended June 30, 2022:

Overview. We had \$181,760 and \$1,271,626 of revenues for the six months ended June 30, 2023 and 2022, respectively. There were net losses of \$245,871 and \$966,528 for the six months ended June 30, 2023 and 2022, respectively. The decrease in net loss of \$720,657 is attributable to the factors discussed below.

Revenues. We generated revenues of \$181,760 and \$1,271,626 during the six months ending June 30, 2023 and 2022, respectively. The decrease of \$1,089,866 is attributable to our sale of the eCommerce business on July 8, 2022. With the sale of our eCommerce business to Stonewall Enterprises Inc., a company controlled by Brandon Vallorani, a former director of the Company, our remaining consulting and other business generated revenues of \$181,760 for the six months ended June 30, 2023. Accordingly, we will look for new opportunities to grow our business.

Gross Margin. Once cost of revenue and other expenses to generate revenue are considered, we had gross margins of \$127,669 (being 70% of revenue) and \$444,443 (being 35% of revenue) from our operations for the six months ended June 30, 2023 and 2022, respectively. The \$316,774 decrease in gross margin is attributable to our sale of the eCommerce business on July 8, 2022.

Expenses. Our operating expenses were \$262,451 and \$1,318,435 for the six months ended June 30, 2023 and 2022, respectively. The decrease of \$1,055,984 was primarily attributable to our sale of the eCommerce business on July 8, 2022 as we reported an approximate \$455,000 decrease in salaries, general and administrative expenses decreased by approximately \$161,000 and an approximate \$48,000 decrease in amortization and depreciation expense, offset an approximate \$18,000 increase in professional fees. In addition, our stock-based compensation decreased by approximately \$410,000 from lower warrant compensation.

Other Income (Expense). Our total other income (expense) was (\$111,089) and (\$92,536) for the six months ended June 30, 2023 and 2022, respectively. The increase of \$18,553 was attributable to a \$33,351 increase in interest expense from our convertible notes payable and a \$51,251 gain on extinguishment of debt during the six months ended June 30, 2022, offset by a \$58,600 decrease in other expense related to the change in market value of our marketable securities and a \$7,449 impairment loss during the three months ended June 30, 2022.

Capital Structure and Resources

We had total assets of \$200,818 as of June 30, 2023, which consisted of \$21,548 cash, \$5,000 marketable securities received for our sale of an asset, accounts receivable of \$8,472, prepaid expenses of \$34,639, long-term related party receivable of \$27,636 and intangible assets of \$103,523 (net of accumulated amortization). The July 8, 2022 sale of our eCommerce business to Stonewall Enterprises Inc., resulted in inventory, fixed assets, goodwill and other assets reduced to \$-0-. In addition, the majority of our accounts receivable and intangible assets were reduced to \$-0-.

We had total liabilities of \$1,073,373 as of June 30, 2023 consisting of accounts payable for \$205,848, accrued expenses for \$392,229, related party payable of \$55,616, short-term convertible notes payable for \$174,134 (net of debt discounts), related party short-term convertible notes payable for \$187,167 (net of debt discounts), dividends payable of \$50,379 from our Class B Preferred Stock, and a long-term note payable of \$5,000 (net of debt discount). For further information and details on convertible notes 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. For further information and details on the accrued expenses, see Note 4 (Accrued Expenses) to the financial statements attached hereto as Exhibit A.

At June 30, 2023, we had a total stockholders' deficiency of \$869,555. We have had net losses since inception and an accumulated deficit of \$15,886,051 at June 30, 2023.

For the six months ended June 30, 2023 and 2022, we used net cash of \$44,805 and \$298,626, respectively, from operating activities. Net cash of \$10,000 and \$37,870 was provided by investing activities for the six months ended June 30, 2023 and 2022, respectively. The cash provided by investing activities for the six months ended March 31, 2022 was attributable proceeds from the sale of assets for offset by the acquisition of republican mailing lists. We were provided cash of \$-0- and \$210,845 from financing activities for the six months ended June 30, 2023 and 2022, respectively, as a result of convertible notes payable from related parties and third parties for \$212,000 and \$10,000 from related party advances, offset by \$11,155 in payments on notes payables during the six months ended March 31, 2022.

Item 10. Issuer's Certifications.

I, Mark Schaftlein, certify that:

1. I have reviewed this Quarterly Report of Conservative Broadcast Media and Journalism, 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: August 14, 2023

CONSERVATIVE BROADCAST MEDIA & JOURNALISM, INC.

By /s/ Mark Schaftlein

Mark Schaftlein, Chief Executive
Officer, President and Chief Financial Officer

Exhibit A

CONSERVATIVE BROADCAST MEDIA & JOURNALISM, INC.

40 Easthampton B
West Palm Beach, FL 33417

**Financial Statements and Notes
For the Six months Ended June 30, 2023 and 2022**

CONSERVATIVE BROADCASTING MEDIA & JOURNALISM INC.

Consolidated Balance Sheets (Unaudited)

	June 30, 2023	December 31, 2022
Assets		
Current assets:		
Cash	\$ 21,548	\$ 56,353
Marketable securities	5,000	7,000
Accounts receivable	8,472	10,711
Prepaid expenses	34,639	30,876
Related party receivable	-	64,678
Total current assets	<u>69,659</u>	<u>169,618</u>
Other assets		
Related party receivable	27,636	55,272
Intangible assets, net of accumulative amortization of \$129,531 and \$90,689 as of June 30, 2023 and December 31, 2022, respectively	<u>103,523</u>	<u>142,365</u>
Total other assets	<u>131,159</u>	<u>197,637</u>
Total Assets	<u>\$ 200,818</u>	<u>\$ 367,255</u>
Liabilities and Stockholders' Deficiency		
Current liabilities:		
Accounts payable	\$ 205,848	\$ 225,531
Accrued expenses	392,229	356,919
Related party payable	55,616	-
Convertible notes, net of discount of \$33,333 and \$0 as of June 30, 2023 and December 31, 2022, respectively	174,134	107,467
Convertible notes-related parties, net of discount of \$68,333 and \$0 as of June 30, 2023 and December 31, 2022, respectively	187,167	100,500
Dividends payable	<u>50,379</u>	<u>40,659</u>
Total current liabilities	<u>1,065,373</u>	<u>831,076</u>
Long term liabilities:		
Convertible notes, net of discount of \$10,000 and \$72,083 as of June 30, 2023 and December 31, 2022, respectively	5,000	42,917
Convertible notes-related parties, net of discount of \$0 and \$119,583 as of June 30, 2023 and December 31, 2022, respectively	<u>-</u>	<u>85,417</u>
Total long term liabilities	<u>5,000</u>	<u>128,334</u>
Total liabilities	1,070,373	959,410
Commitments and contingencies	<u>-</u>	<u>-</u>
Stockholders' Equity (Deficiency):		
Preferred stock, \$0.001 par value; 1,000 shares authorized, 1,000 Series 2014A preferred stock shares issued and outstanding as of as of June 30, 2023 and December 31, 2022	1	1
Preferred stock, \$0.001 par value, 24,999,000 shares authorized, 24,499,000 Series B Preferred stock shares issued and outstanding as of June 30, 2023 and December 31, 2022	24,499	24,499
Common stock, \$0.001 par value, 500,000,000 shares authorized 17,617,170 and 17,971,044 issued and outstanding as of June 30, 2023 and December 31, 2022	17,617	17,971
Additional paid-in capital	14,967,880	14,990,275
Common stock to be issued	6,500	5,559
Accumulated deficit	<u>(15,886,052)</u>	<u>(15,630,460)</u>
Total stockholders' equity (deficiency)	<u>(869,555)</u>	<u>(592,155)</u>
Total Liabilities and Stockholders' Equity (Deficiency)	<u>\$ 200,818</u>	<u>\$ 367,255</u>

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

The common stock shares issued and outstanding have been adjusted to reflect 20-to-1 reverse split, which was effective on August 2, 2023.

CONSERVATIVE BROADCASTING MEDIA & JOURNALISM INC.

Consolidated Statements of Operations (unaudited)

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2023	June 30, 2022	June 30, 2023	June 30, 2022
Revenue	\$ 88,080	\$ 593,615	\$ 181,760	\$ 1,271,626
Cost of Revenue	<u>26,049</u>	<u>376,978</u>	<u>54,091</u>	<u>827,183</u>
Gross margin	62,031	216,637	127,669	444,443
Operating expenses:				
Salaries	64,764	250,446	148,890	604,292
Stock based compensation	787	163,068	18,192	428,088
Professional fees	26,755	14,296	47,081	28,944
General and administrative expenses	4,528	75,935	9,446	170,760
Amortization and depreciation expense	<u>19,421</u>	<u>43,482</u>	<u>38,843</u>	<u>86,351</u>
Total operating expenses	116,255	547,227	262,452	1,318,435
Net operating income (loss)	(54,224)	(330,590)	(134,783)	(873,992)
Other income (expense):				
Other income	-	-	-	-
Other income (expense)	(600)	(5,900)	(2,000)	(60,600)
Impairment Expense	-	(7,449)	-	(7,449)
Gain on debt extinguishment	-	-	-	51,251
Interest expense	<u>(53,339)</u>	<u>(53,294)</u>	<u>(109,089)</u>	<u>(75,738)</u>
Total other income (expense)	<u>(53,939)</u>	<u>(66,643)</u>	<u>(111,089)</u>	<u>(92,536)</u>
Net Income (loss)	\$ <u>(108,163)</u>	\$ <u>(397,233)</u>	\$ <u>(245,872)</u>	\$ <u>(966,528)</u>
Basic and diluted income (loss) per share	\$ <u>(0.006)</u>	\$ <u>(0.019)</u>	\$ <u>(0.014)</u>	\$ <u>(0.046)</u>
Weighted average number of common shares outstanding - basic and diluted	17,636,195	20,953,000	17,802,694	20,874,141

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

The common stock shares issued and outstanding have been adjusted to reflect 20-to-1 reverse split, which was effective on August 2, 2023.

CONSERVATIVE BROADCASTING MEDIA & JOURNALISM INC.
Statements of Changes in Stockholders' Deficiency (Unaudited)

	Common Stock		Preferred Stock		Additional	Common Stock	Treasury	Accumulated	Total
	Shares	Amount	Shares	Amount	Paid-In Capital	to be Issued	Stock	Deficit	Stockholders' Deficiency
For the three months ended June 30, 2022									
Balance at March 31, 2022	<u>20,890,703</u>	<u>\$ 20,891</u>	<u>24,500,000</u>	<u>\$ 24,500</u>	<u>\$ 15,406,497</u>	<u>\$ 59,777</u>	<u>\$ -</u>	<u>\$ (11,353,064)</u>	<u>\$ 4,158,601</u>
Convert related party payable to common stock	68,750	69	-	-	54,931	(55,000)	-	-	-
Issuance of Class A and Class B warrants	-	-	-	-	145,099	-	-	-	145,099
Issuance of stock option	-	-	-	-	17,063	-	-	-	17,063
Stock compensation	-	-	-	-	-	906	-	-	906
Dividends on preferred stock accrued	-	-	-	-	-	-	-	(4,887)	(4,887)
Net loss	-	-	-	-	-	-	-	(397,233)	(397,233)
Balance at June 30, 2022	<u>20,959,453</u>	<u>\$ 20,959</u>	<u>24,500,000</u>	<u>\$ 24,500</u>	<u>\$ 15,623,590</u>	<u>\$ 5,683</u>	<u>\$ -</u>	<u>\$ (11,755,184)</u>	<u>\$ 3,919,549</u>
For the six months ended June 30, 2022									
Balance at December 31, 2021	<u>19,850,703</u>	<u>\$ 19,851</u>	<u>24,500,000</u>	<u>\$ 24,500</u>	<u>\$ 14,606,836</u>	<u>\$ 215,459</u>	<u>\$ -</u>	<u>\$ (10,778,936)</u>	<u>\$ 4,087,710</u>
Conversion of notes payable into shares of common stock	1,000,000	1,000	-	-	199,000	-	-	-	200,000
Conversion of shareholder advances into shares of common stock	40,000	40	-	-	31,960	-	-	-	32,000
Convert related party payable to common stock	68,750	69	-	-	54,931	(55,000)	-	-	-
Issuance of Class A and Class B warrants	-	-	-	-	391,924	-	-	-	391,924
Discount on shares issued for convertible notes payable	-	-	-	-	305,000	-	-	-	305,000
Issuance of stock option	-	-	-	-	33,939	-	-	-	33,939
Stock compensation, account payable and debt conversion	-	-	-	-	-	(154,776)	-	-	(154,776)
Dividends on preferred stock accrued	-	-	-	-	-	-	-	(9,720)	(9,720)
Net loss	-	-	-	-	-	-	-	(966,528)	(966,528)
Balance at June 30, 2022	<u>20,959,453</u>	<u>\$ 20,959</u>	<u>24,500,000</u>	<u>\$ 24,500</u>	<u>\$ 15,623,590</u>	<u>\$ 5,683</u>	<u>\$ -</u>	<u>\$ (11,755,184)</u>	<u>\$ 3,919,549</u>
For the three months ended June 30, 2023									
Balance at March 31, 2023	<u>17,971,453</u>	<u>\$ 17,971</u>	<u>24,500,000</u>	<u>\$ 24,500</u>	<u>\$ 15,007,151</u>	<u>\$ 6,088</u>	<u>\$ -</u>	<u>\$ (15,773,002)</u>	<u>\$ (717,292)</u>
Cancellation of shares to settle Company receivable	(354,317)	(354)	-	-	(39,646)	-	-	-	(40,000)
Reverse split rounding	34	-	-	-	-	-	-	-	-
Issuance of stock option	-	-	-	-	375	-	-	-	375
Stock compensation	-	-	-	-	-	412	-	-	412
Dividends on preferred stock accrued	-	-	-	-	-	-	-	(4,887)	(4,887)
Net loss	-	-	-	-	-	-	-	(108,163)	(108,163)
Balance at June 30, 2023	<u>17,617,170</u>	<u>\$ 17,617</u>	<u>24,500,000</u>	<u>\$ 24,500</u>	<u>\$ 14,967,880</u>	<u>\$ 6,500</u>	<u>\$ -</u>	<u>\$ (15,886,052)</u>	<u>\$ (869,555)</u>
For the six months ended June 30, 2023									
Balance at December 31, 2022	<u>17,971,453</u>	<u>\$ 17,971</u>	<u>24,500,000</u>	<u>\$ 24,500</u>	<u>\$ 14,990,275</u>	<u>\$ 5,559</u>	<u>\$ -</u>	<u>\$ (15,630,460)</u>	<u>\$ (592,155)</u>
Cancellation of shares to settle Company receivable	(354,317)	(354)	-	-	(39,646)	-	-	-	(40,000)
Reverse split rounding	34	-	-	-	-	-	-	-	-
Issuance of stock option	-	-	-	-	17,251	-	-	-	17,251
Stock compensation	-	-	-	-	-	941	-	-	941
Dividends on preferred stock accrued	-	-	-	-	-	-	-	(9,720)	(9,720)
Net loss	-	-	-	-	-	-	-	(245,872)	(245,872)
Balance at June 30, 2023	<u>17,617,170</u>	<u>\$ 17,617</u>	<u>24,500,000</u>	<u>\$ 24,500</u>	<u>\$ 14,967,880</u>	<u>\$ 6,500</u>	<u>\$ -</u>	<u>\$ (15,886,052)</u>	<u>\$ (869,555)</u>

The accompanying notes are an integral part of these consolidated financial statements.
The common stock shares issued and outstanding have been adjusted to reflect 20-to-1 reverse split, which was effective on August 2, 2023.

CONSERVATIVE BROADCASTING MEDIA & JOURNALISM INC.

Statements of Cash Flows (Unaudited)

	For the Six Months Ended	
	June 30, 2023	June 30, 2022
Cash flows from operating activities:		
Net loss	\$ (245,872)	\$ (966,528)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	-	20,000
Amortization of Intangibles	38,842	66,351
Stock based compensation	18,192	428,088
Gain on forgiveness of PPP notes payable and accrued interest	-	(51,039)
Impairment expense	-	7,448
Non-cash interest	108,311	70,840
Unrealized (gain) loss on marketable securities	2,000	60,600
Changes in operating assets and liabilities:		
Accounts Receivable	2,239	(20,572)
Inventory	-	(111,569)
Prepaid expenses	(3,763)	(2,750)
Related party receivable	47,930	(20,000)
Other assets	-	900
Accounts payable and accrued expenses	(12,684)	219,605
Net cash provided by (used) in operating activities	<u>(44,805)</u>	<u>(298,626)</u>
Cash flows from investing activities:		
Cash paid for the acquisition of mailing lists	-	(22,052)
Proceeds from sale of assets	10,000	59,922
Net cash provided by investing activities	<u>10,000</u>	<u>37,870</u>
Cash flows from financing activities:		
Proceeds from related party advances	-	10,000
Proceed from convertible notes payable	-	100,000
Proceed from convertible related party notes payable	-	112,000
Payments on notes payable	-	(11,155)
Net cash provided by financing activities	<u>-</u>	<u>210,845</u>
Net increase (decrease) in cash	(34,805)	(49,911)
Cash - beginning of the year	56,353	75,764
Cash - end of the year	<u>\$ 21,548</u>	<u>\$ 25,853</u>
Supplemental disclosures:		
Interest paid	<u>\$ 778</u>	<u>\$ -</u>
Taxes Paid	<u>\$ -</u>	<u>\$ -</u>
Supplemental disclosure for non-cash financing activities:		
Conversion of notes payable into shares of common stock	<u>\$ -</u>	<u>\$ 200,000</u>
Conversion of payables into shares of common stock	<u>\$ -</u>	<u>\$ 32,000</u>
Conversion of related party payable to common stock	<u>\$ -</u>	<u>\$ 55,000</u>
Discount on shares issued for notes payable	<u>\$ -</u>	<u>\$ 305,000</u>

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

Conservative Broadcast Media and Journalism
Notes to Consolidated Financial Statements (Unaudited)
June 30, 2023

NOTE 1 – ORGANIZATION AND BASIS OF PRESENTATION BASIS

Nature of organization & business

Crownbutte Wind Power LLC (“Crownbutte ND”) was formed on May 11, 1999 with the strategy of addressing the requirements of regional utility companies to satisfy increasing renewable energy demands. On July 2, 2008, Crownbutte ND became a wholly owned subsidiary of Crownbutte Wind Power, Inc., a Nevada corporation, formerly ProMana Solutions, Inc. Thereafter, having obtained shareholder approval, Crownbutte Wind Power, Inc. filed a Certificate of Amendment, effective on September 22, 2014, which changed its name to “Canna Brands, Inc.” Thereafter, having obtained shareholder approval, Canna Brands, Inc. filed a Certificate of Amendment, effective on June 10, 2015, which changed its name to “Canna Consumer Goods, Inc.” Effective November 6, 2020, Canna Consumer Goods Inc. amended its Articles of Incorporation, and the Company changed its name to “Conservative Broadcast Media and Journalism”, Inc. (“CBMJ” or the “Company”).

Operations

On October 6, 2020 the Company acquired all ownership interests of DeDonato Enterprises, LLC (“DeDonato”), which is a wholly owned subsidiary. DeDonato is a Digital Marketing Agency based in Metro-Atlanta that specializes in reaching a conservative/libertarian/religious audience. Among other business activities, DeDonato operates numerous social media accounts across several platforms with over 2 million followers, owns an active database of 12.2 million opt-in email subscribers, and publishes a network of 47 monetized political/news websites generating 10 million-page views per month. Some of the marquis sites include www.flagandcross.com, and www.libertyhub.com. DeDonato also maintains one of the largest collections of historical documents on the web at www.constitution.com. In addition, DeDonato operates a brick-and-mortar coffee shop in Hiram, GA, and e-commerce websites including www.thrashercoffee.com/, www.valloranicigars.com, and an e-commerce portal at their primary site www.store.flagandcross.com/. The purchase price for the acquisition of DeDonato was \$2,000,000 payable \$68,000 in cash at closing, an additional \$132,000 in cash payable over the next 19 months and two convertible promissory notes in the aggregate amount of \$1,800,000.

Brandon Vallorani, CEO of DeDonato, was added as a member of the Board of Directors of the Company. He was also given a five-year employment agreement ending on September 30, 2025. Mr. Vallorani will serve as the DeDonato President and CEO and compensated with a base salary of \$180,000 per year plus various incentives for reaching certain milestones. On October 31, 2021, Mr. Vallorani resigned as CEO of DeDonato. On May 3, 2023, Mr. Vallorani resigned as a director.

During December 2020, the Company acquired substantially all of the assets of the "Military Grade Coffee" business. The acquisition includes the Military Grade Coffee trademark, copyrights, www.militarygradecoffee.com, all future revenues, inventory and all other intellectual property. In addition, the purchase included social and marketing outlets such as the business’s Facebook, Twitter, LinkedIn, and other media portals. The purchase price for the acquisition of Military Grade Coffee was \$59,855 payable \$10,000 in cash at closing, 100,000 shares of the Company’s restricted common stock valued at \$34,800 or \$0.348 per share and 50,000 stock options valued at \$15,055.

On March 9, 2021, the Company acquired all the assets of J. Vincent Creative Digital Marketing Agency (JVC) and ChristianRebelNation.com (CRN) in Atlanta, GA. JVincentCreative.com is an established full-service SEO and digital marketing agency. The Company now has access to JVC's team, clients, and core competencies of Search Engine Optimization (SEO), web design, and digital advertising. In addition to JVCs’ client list, as part of the purchase, the Company now also owns www.christianrebelnation.com and e-commerce website and brand including all social media support portals and all product designs, CRN e-mail list, customized software, and supply chain. The purchase price for JVC was 12,500 restricted shares of the Company’s common stock valued at \$13,225 or \$1.058 per share.

On June 4, 2021, the Company acquired 100% of the e-commerce business assets of USA Depot, Inc. and its wholly owned subsidiary Patriot Depot. Patriot Depot is an online retailer that distributes and sells Conservative and Christian themed supplies, apparel, pins, flags, patriotic gifts, glasses, novelties, books, DVDs and more. The purchase price for USA Depot, Inc. was 2,000,000 restricted shares of the Company’s common stock valued at \$2,688,000 or \$1.344 per share. Floyd Brown, Chairman of USA Depot, Inc. has joined CEO Mark Schaftlein and President Brandon Vallorani on the Board of Directors of CBJM.

On July 8, 2022, the Company entered into an Asset Purchase Agreement with Stonewall Enterprises Inc., a company controlled by Brandon Vallorani (a former director of the Company). On August 22, 2022, an Amended Asset Purchase Agreement (the “Amended Agreement”) was entered into by the Company and Stonewall Enterprises, Inc. Under the Amended Agreement, the Company sold its eCommerce business for \$1,223,815 which includes the transfer and assignment of 2,988,000 shares of the Company’s common stock owned by Brandon Vallorani, valued at \$747,000 or \$0.25 per share, in exchange for a \$747,00 credit against the purchase price. The Company cancelled the 2,988,000 shares acquired under the Amended Agreement. The Company, through its wholly owned subsidiary DeDonato Enterprises, LLC, will concentrate and focus upon those aspects of its business which were retained and not sold including, without limitation, providing website hosting, design, marketing/advertising and monetization services, providing consulting services to a conservative/libertarian audience.

On June 2, 2023, having received written consent of the Board of Directors and shareholders owning a majority of the shares entitled to vote, the Company filed a Certificate of Amendment to Articles of Incorporation whereby a 20-for-1 reverse stock split of its issued and outstanding common stock was authorized effective as of end of business on June 16, 2023. The Company’s authorized capital stock remained at 500,000,000 shares of common stock and 25,000,000 shares of preferred stock. During June 2023 and in accordance with SEC Rule 10b-17 and FINRA Rule 6490, the Company submitted documents and other information to FINRA in furtherance of pursuing and obtaining approval of the subject reverse stock split. After submitting additional documents and other information to address and respond to FINRA requests, the Company received notice from FINRA that the subject 20-for-1 reverse stock split would have a market effective date of August 2, 2023. Immediately after effectiveness of the subject 20-for-1 reverse stock split, the Company had 17,617,170 shares of common stock issued and outstanding. None of the 1,000 shares of Series 2014A preferred stock and 24,999,000 shares of Series B preferred stock issued and outstanding were reduced as a result of the foregoing reverse stock split.

Basis of Presentation

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in the United States of America.

Use of Estimates

In preparing financial statements, management makes estimates and assumptions that affect the reported amounts of assets and liabilities in the balance sheet and revenue and expenses in the statement of expenses. Actual results could differ from those estimates.

Reclassifications

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.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Company considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Concentrations of Risk

Cash and cash equivalents deposited with financial institutions are insured by the Federal Deposit Insurance Corporation (“FDIC”). The Company did not hold cash in excess of FDIC insurance coverage at a financial institution as of June 30, 2023 and December 31, 2022.

Accounts Receivables

Accounts receivables are recorded at the invoiced amount and are stated net of an allowance for doubtful accounts. The allowance for doubtful accounts is the Company’s best estimate of the amount of probable credit losses in the existing accounts receivable. The allowance is based on historical collection data and current franchisee information. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. At June 30, 2023, no allowance for doubtful accounts was deemed necessary. Accounts receivable of \$8,442 was sold with the July 8, 2022 sale of the eCommerce business. For a further discussion, see *Note 2 – Acquisitions Intangibles, and Sale of Assets*. The accounts receivable balance was \$8,472 and \$10,711 at June 30, 2023 and December 31, 2022.

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. The inventory was sold with the July 8, 2022 sale of the eCommerce business. For a further discussion, see *Note 2 – Acquisitions Intangibles, and Sale of Assets*.

Prepaid Expenses

The Company considers all items incurred for future services to be prepaid expenses.

Prepaid expenses consist of the following:

	<u>June 30, 2023</u>	<u>December 31,</u> <u>2022</u>
Media Credits	\$ 29,000	29,000
OTC Market Fees/Other	5,639	1,876
Total	\$ 34,639	\$ 30,876

Property and equipment

Property and equipment are recorded at cost and depreciated on the straight-line method over the estimated useful lives. Expenditures for normal repairs and maintenance are charged to expense as incurred. The cost and related accumulated depreciation of assets sold or otherwise disposed of are removed from the accounts, and any gain or loss is included in operations. The total depreciation expense was \$-0- and \$10,000 for the three months ended June 30, 2023 and 2022, respectively, and \$-0- and \$20,000 for the six months ended June 30, 2023 and 2022, respectively. The property and equipment was sold with the July 8, 2022 sale of the eCommerce business. For a further discussion, see *Note 2 – Acquisitions Intangibles, and Sale of Assets*.

Capitalization

Only assets with a cost over \$5,000 and a useful life of over 1 year are capitalized. All other costs are expensed in the period incurred.

Goodwill

We test goodwill for impairment on an annual basis, or more frequently if circumstances, such as material deterioration in performance, indicate reporting unit carrying values may exceed their fair values. When evaluating goodwill for impairment, we may first perform a qualitative assessment to determine if the fair value of the reporting unit is more likely than not greater than its carrying amount. If we do not perform a qualitative assessment or if the fair value of the reporting unit is not more likely than not greater than its carrying amount, we calculate the implied estimated fair value of the reporting unit. If the carrying amount of goodwill exceeds the implied estimated fair value, an impairment charge to current operations is recorded to reduce the carrying value to the implied estimated fair value. The assets associated with the goodwill were sold with the July 8, 2022 sale of the eCommerce business and other sale of assets prior to June 30, 2022. For a further discussion, see *Note 2 – Acquisitions Intangibles, and Sale of Assets*.

Other Intangible Assets

Definite-lived intangible assets, which mainly consist of acquired rights, customer lists and domain names, are amortized over their estimated useful lives, and are tested for impairment when facts and circumstances indicate that the carrying values may not be recoverable. During the year ended December 31, 2022, the Company recorded a \$7,449 impairment change for the intangible assets from the acquisition of J Vincent Creative in March 2022. There were no other intangible asset impairment charges recorded during the six months ended June 30, 2023 and 2022. Certain intangible assets with a book value of \$261,736 were sold with the July 8, 2022 sale of the eCommerce business. For a further discussion, see *Note 2 – Acquisitions Intangibles, and Sale of Assets*.

Valuation of Long-Lived and Intangible Assets

We assess the impairment of long-lived and intangible assets periodically, or at least annually, and whenever events or changes in circumstances indicate that the carrying value may not be recoverable. Factors considered important, which could trigger an impairment review, include the following: significant underperformance relative to historical or projected future cash flows; significant changes in the manner of use of the assets or the strategy of the overall business; and significant negative industry trends. When management determines that the carrying value of long-lived and intangible assets may not be recoverable, impairment is measured as the excess of the assets' carrying value over the estimated fair value. Management is not aware of any other impairment changes that may currently be required; however, we cannot predict the occurrence of events that might adversely affect the reported values in the future.

Derivative Financial Instruments

The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. The Company evaluates all of its financial instruments to determine if such instruments are derivatives or contain features that qualify as embedded derivatives. For derivative financial instruments that are accounted for as liabilities, the derivative instrument is initially recorded at its fair value and is then re-valued at each reporting date, with changes in the fair value reported as charges or credits to income. For option-based derivative financial instruments, The Company uses the Black-Scholes option-pricing model to value the derivative instruments at inception and subsequent valuation dates. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument could be required within 12 months of the balance sheet date.

Fair Value Measurements

In September 2006, the FASB issued ASC 820 (previously SFAS 157) which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The provisions of ASC 820 were effective January 1, 2008.

As defined in ASC 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price). The Company utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable. The Company classifies fair value balances based on the observations of those inputs. ASC 820 establishes a fair value hierarchy that prioritizes the inputs used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurement) and the lowest priority to unobservable inputs (level 3 measurement).

The three levels of the fair value hierarchy defined by ASC 820 are as follows:

Level 1 – Quoted prices are available in active markets for identical assets or liabilities as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. Level 1 primarily consists of financial instruments such as exchange-traded derivatives, marketable securities and listed equities.

Level 2 – Pricing inputs are other than quoted prices in active markets included in level 1, which are either directly or indirectly observable as of the reported date. Level 2 includes those financial instruments that are valued using models or other valuation methodologies. These models are primarily industry-standard models that consider various assumptions, including quoted forward prices for commodities, time value, volatility factors, and current market and contractual prices for the underlying instruments, as well as other relevant economic measures. Substantially all of these assumptions are observable in the marketplace throughout the full term of the instrument, can be derived from observable data or are supported by observable levels at which transactions are executed in the marketplace. Instruments in this category generally include non-exchange-traded derivatives such as commodity swaps, interest rate swaps, options and collars.

Level 3 – Pricing inputs include significant inputs that are generally less observable from objective sources. These inputs may be used with internally developed methodologies that result in management's best estimate of fair value.

The Company did not identify any assets or liabilities that are required to be presented on the balance sheet at fair value in accordance with ASC 820 as of June 30, 2023 and December 31, 2022.

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.

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. The U.S. Tax Cuts and Jobs Act (TCJA) legislation reduces the U.S. federal corporate income tax rate from 35.0% to 21.0% and is effective June 22, 2018 for the Company. On January 1, 2023, the U.S. federal corporate income tax increased from 21% to 28%. 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 six months ended June 30, 2023 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. The Company is in the process of filing all unfiled tax returns. All tax returns for the Company remain open for examination.

Basic and diluted net income per share

Basic net loss per common share is computed using the weighted average number of common shares outstanding. Diluted earnings per share (EPS) include additional dilution from common stock equivalents, such as stock issuable pursuant to convertible notes. 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 the periods presented. At June 30, 2023, the total shares issuable upon conversion of convertible notes payable, shares issuable to consultants, Series B Preferred Stock, stock options and stock warrants would be approximately 108,041,000 shares of the Company's common stock.

Dividends

As discussed in *Note 6 – Equity Transactions*, the Company issued preferred stock which accrues dividends at a rate of 8% annually. There was \$50,379 and \$40,659 of dividends payable at June 30, 2023 and December 31, 2022, respectively. The dividends have not been declared and are accrued in the accompanying consolidated balance sheets as a result of a contractual obligation in the Company's preferred stock offering.

Stock 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 an expense in the period granted. The Company recognized consulting expenses and a corresponding increase to additional paid-in-capital related to stock issued for services. For agreements requiring future services, the consulting expense is to be recognized ratably over the requisite service period.

The Company uses the Black-Scholes-Merton valuation model for estimating the fair value of traded options and stock warrants. This valuation model requires the input of highly subjective assumptions including the expected stock price volatility. The number of stock options outstanding was 50,000 of unregistered shares of the Company’s common stock at June 30, 2023 and December 31, 2022. The number of stock warrants outstanding was 2,187,400 unregistered shares of the Company’s common stock at June 30, 2023 and December 31, 2022.

The Company recorded stock-based compensation of \$787 and \$163,068 for the three months ended June 30, 2023 and 2022, respectively \$18,192 and \$428,088 for the six months ended June 30, 2023 and 2022, respectively.

Related Parties

The registrant follows subtopic 850-10 of the FASB Accounting Standards Codification for the identification of related parties and disclosure of related party transactions.

Pursuant to Section 850-10-20 the Related parties include (a) affiliates of the registrant; (b) entities for which investments in their equity securities would be required, absent the election of the fair value option under the Fair Value Option Subsection of Section 825-10-15, to be accounted for by the equity method by the investing entity; (c) trusts for the benefit of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management; (d) principal owners of the registrant; (e) management of the registrant; (f) other parties with which the registrant may deal if one party controls or can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests; and (g) other parties that can significantly influence the management or operating policies of the transacting parties or that have an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

The financial statements shall include disclosures of material related party transactions, other than compensation arrangements, expense allowances, and other similar items in the ordinary course of business. However, disclosure of transactions that are eliminated in the preparation of consolidated or combined financial statements is not required in those statements. The disclosures shall include: (a) the nature of the relationship(s) involved; (b) description of the transactions, including transactions to which no amounts or nominal amounts were ascribed, for each of the periods for which income statements are presented, and such other information deemed necessary to an understanding of the effects of the transactions on the financial statements; (c) the dollar amounts of transactions for each of the periods for which income statements are presented and the effects of any change in the method of establishing the terms from that used in the preceding period; and (d) amounts due from or to related parties as of the date of each balance sheet presented and, if not otherwise apparent, the terms and manner of settlement.

Recently Issued Accounting Standards

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

NOTE 2 – ACQUISITIONS, INTANGIBLES AND SALE ASSETS

DeDonato Enterprises, LLC Acquisition:

On October 6, 2020, the Company acquired all ownership interests of DeDonato Enterprises, LLC (“DeDonato”), which is a wholly owned subsidiary. The purchase price for the acquisition of DeDonato was \$2,000,000 payable \$68,000 in cash at closing, an additional \$132,000 in cash payable over the next 19 months and two convertible promissory notes in the aggregate amount of \$1,800,000. The notes bear interest at 4% per annum, payable annually, with a five-year term ending on October 6, 2025. The note holders may convert the principal and accrued interest into shares of the Company’s common stock at a conversion rate \$0.20 per share and mandatory conversion occurs after October 6, 2022, if the Company’s stock price closes above \$0.80 per share for 10 consecutive trading days.

The amount due and owing up under the convertible notes are secured by DeDonato granting the note holders a first and prior security interest on the assets of DeDonato. As of June 30, 2023, the convertible notes are no longer outstanding.

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

Cash	\$ 33,259
Accounts receivable	26,052
Inventory	40,876
Security deposits	2,400
Goodwill	2,087,696
Accounts payable	(29,400)
Notes payable	(160,883)
Total	\$2,000,000

Republican Database Acquisitions:

The Company acquired databases of registered republicans for marketing. The purchase price was \$176,054 cash. The fair value of the Intangible asset was calculated using the net present value of the projected gross profit to be generated over the next 36 months beginning in December 20, 2020 with annual amortization of \$58,072.

Military Grade Coffee Acquisition:

On December 22, 2020, we acquired substantially all of the assets of the "Military Grade Coffee" business. The acquisition includes the Military Grade Coffee trademark, copyrights, www.militarygradecoffee.com, all future revenues, inventory and all other intellectual property. In addition, the purchase included social and marketing outlets such as the businesses Facebook, Twitter, LinkedIn, and other media portals. The purchase price for the acquisition of Military Grade Coffee was \$59,855 payable \$10,000 in cash at closing, 100,000 shares of the Company's restricted common stock valued at \$34,800 or \$0.348 per share and 50,000 stock options valued at \$15,055.

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

Inventory	\$17,478
Trademark	5,000
Domain names	5,000
Other intangible assets	5,000
Goodwill	27,377
Total	\$59,855

The fair value of the Intangible assets – domain names and other intangible assets was calculated using the net present value of the projected gross profit to be generated over the next 36 months beginning in December 21, 2020 with annual amortization of \$1,667. The Military Grade Coffee intangible assets were sold with the July 8, 2022 sale of the eCommerce business. For a further discussion, see below *Sale of eCommerce Business*.

The Company granted the seller a three-year option, expiring on January 12, 2024, to purchase 50,000 shares of the Company's unregistered common stock at \$0.30 per share. The option vested shares on the grant date. The fair value of the option was \$15,055. The Company used the Black-Scholes-Merton option pricing model to estimate the fair value option with the following assumptions:

Risk-free interest rate	.13%
Expected life (in years)	1.5
Expected volatility	235.4%
Grant date fair value	\$0.0174

J. Vincent Creative Digital Marketing Agency:

On March 9, 2021 the Company acquired all the assets of J. Vincent Creative Digital Marketing Agency (JVC) and ChristianRebelNation.com in Atlanta, GA. The purchase price for JVC was 12,500 restricted shares of the Company's common stock valued at \$13,225 or \$1.058 per share.

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

JVincentCreative.com website & brand	\$ 8,225
ChristianRebelNation.com and brand	5,000
Total	\$13,225

The fair value of the Intangible assets – domain names and other intangible assets was calculated using the net present value of the projected gross profit to be generated over the next 36 months beginning in March 2021 with annual amortization of \$4,408. The asset was deemed impaired at June 30, 2022 and the remaining balance of \$7,449 was written off in accompanying statements of operations.

USA Depot, Inc. Acquisition:

On June 4, 2021, the Company acquired 100% of the assets for USA Depot, Inc. and its wholly owned subsidiary Patriot Depot. Patriot Depot is an online retailer that distributes and sells Conservative and Christian themed supplies, apparel, pins, flags, patriotic gifts, glasses, novelties, books, DVDs and more. The purchase price for USA Depot, Inc. was 2,000,000 restricted shares of the Company's common stock valued at \$2,688,000 or \$1.344 per share.

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

Inventory	\$ 487,091
Fixed assets	200,000
Tradenames	100,000
Intellectual property rights	100,000
Non-compete	75,000
Other intangible assets	50,000
Goodwill	1,675,909
Total	\$2,688,000

The fair value of the Intangible assets – tradenames and other intangible assets was calculated using the net present value of the projected gross profit to be generated over the next 24 to 120 months beginning on June 4, 2021 with annual amortization of \$69,167 for the first eight quarters and decreasing thereafter. The USA Depot, Inc. intangible assets were sold with the July 8, 2022 sale of the eCommerce business. For a further discussion, see below *Sale of eCommerce Business*.

Sale of eCommerce Business:

On July 8, 2022, the Company enter into an Asset Purchase Agreement with Stonewall Enterprises Inc., a company controlled by a former director of the Company. On August 22, 2022, an Amended Asset Purchase Agreement (the "Amended Agreement") was entered into by the Company and Stonewall Enterprises, Inc. Under the Amended Agreement, the Company sold its eCommerce business for \$1,223,815 which includes the transfer and assignment of 2,988,000 shares of the Company's common stock owned by the Company former director, valued at \$747,000 or \$0.25 per share, in exchange for a \$747,00 credit against the purchase price. In October, 2022, the Company cancelled the 2,988,000 shares acquired under the Amended Agreement. Also, Stonewall Enterprises, Inc. assumed a \$31,000 note obligation dated September 30, 2020 due and owing by the Company to Bravera Holdings and various operating leases. The Company recorded a loss of \$3,538,729 on the sale of the eCommerce business.

Here is a summary of the eCommerce business sale on July 8, 2022:

Sales Price:

Cash	\$ 120,000
Related party receivable (payable with installments over 24 months)	325,815
Former director shares return for cancellation (59,760,000 shares)	747,000
Bravera note assumed by buyer	31,000
Subtotal	<u>1,223,815</u>

Asset Received:

Non-compete agreement	57,000
-----------------------	--------

Assets Sold:

Accounts receivable	(8,442)
Inventory	(685,649)
Property and equipment	(155,790)
Intangible assets	(261,736)
Goodwill	(3,731,061)
Other assets	(2,300)
Accrued expenses	25,436
Subtotal	<u>(4,819,542)</u>

Loss on the sale of the eCommerce business	<u>(\$3,538,727)</u>
--	----------------------

Amortization Expense:

The Company recorded amortization of intangible assets of \$19,421 and \$16,190 for the three months ended June 30, 2023 and 2022, respectively, and \$38,842 and \$31,767 for the six months ended June 30, 2023 and 2022, respectively, in the accompanying statements of operations.

NOTE 3 - GOING CONCERN

The accompanying consolidated financial statements have been prepared on a going concern basis, which contemplates the realization of assets and satisfaction of liabilities in the normal course of business. The Company has incurred material recurring losses from operations. The Company has not generated material revenues since inception and has generated losses totaling \$15,886,051 since inception. In addition, the Company is experiencing a continuing operating cash flow deficiency. These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern.

The consolidated financial statements do not contain any adjustments to reflect the possible future effects on the classification of assets or the amounts and classification of liability that may result should the Company be unable to continue as a going concern.

NOTE 4 – ACCRUED EXPENSES

Accrued expenses consist of the following:

		<u>June 30, 2023</u>		<u>December 31, 2022</u>
Accrued compensation	\$	7,500	\$	7,500
Credit card payable		34,847		34,050
Accrued interest		332,378		304,069
Other		<u>17,504</u>		<u>11,300</u>
	\$	392,229	\$	356,919

NOTE 5 – NOTES PAYABLE

Short-Term Notes payable: convertible non-related parties

The Company has issued a number of convertible notes with various maturities dates to non-related parties. The loans bear interest at 3% to 8% and have various maturity dates through March 3, 2024. After maturity, the interest rate increases to 10% to 15%. In addition, at any time, the individuals or corporations may convert the notes into shares of the Company's common stock at various exercise prices between \$0.004 to \$0.0175 per share. Due to the short-term nature of these loans, they are recorded as current liabilities. 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 on the date of issuance. There were no new non-related party convertible notes payable added during the three months ended June 30, 2023. The debt discounts are amortized through the terms of the notes. At March 31, 2023, an aggregate of principal and interest of \$106,667 was reclassified from long term to short term convertible debt. In addition, the associated debt discounts of \$50,000 was transferred from long term to short convertible debt. The outstanding balances including accrued interest at June 30, 2023 and 2022 was \$387,816 and \$270,788, respectively. The outstanding principal balances net of debt discount was \$174,134 and \$107,467 at June 30, 2023 and December 31, 2022, respectively. The Company is in default with the repayment terms for the majority of these convertible notes payable.

As of June 30, 2023, the conversion price of the non-related party convertible 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 \$12,500 and \$-0- for the three months ended June 30, 2023 and 2022, respectively, and \$16,667 and \$-0- for the six months ended June 30, 2023 and 2022, respectively, in the accompanying consolidated statements of operations.

On June 23, 2021, the Company and a note holder executed a Note Repayment Agreement pursuant to which the Company agreed to make monthly installment payments to the noteholder, with each monthly installment payment being in an amount sufficient to repay in full outstanding amounts due and owing on a specific convertible note. Currently, in accordance with the terms of the subject Agreement, the Company paid, prior to June 30, 2023, \$38,212 to the noteholder which fully paid and satisfied all amounts due and owing on certain convertible notes dated February 3, 2014, April 4, 2014, May 27, 2014, June 19, 2014, September 10, 2014 and October 3, 2014. A total of \$26,677 remains due on the convertible note dated July 18, 2014 under the repayment schedule, being payable in installment amounts due after June 30, 2023.

Short-Term Notes payable: convertible related parties

The Company has issued a number of convertible notes with various maturity dates to the Company's CEO and another related party. The loans bear interest at 3% to 8% and have various maturity dates through March 3, 2024. After maturity, the interest rate increases to 10% to 15%. In addition, at any time, the related parties may convert the note into shares of the Company's common stock at various exercise prices between \$0.0025 to \$0.0175 per share. Due to the short-term nature of these loans, they are recorded as current liabilities. 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 on the date of issuance. There were no new convertible non-related party notes payable added during the three-months ended June 30, 2023. The debt discounts are amortized through the terms of the notes. At March 31, 2023 an aggregate of principal and interest of \$234,330 was reclassified from long term to short term convertible debt. In addition, the associated debt discounts of \$102,500 was transferred from long term to short convertible debt. The outstanding balances including accrued interest at June 30, 2023 and December 31, 2022 was \$406,735 and \$218,464, respectively. The outstanding principal balances net of debt discount was \$187,167 and \$100,500 at June 30, 2023 and December 31, 2022, respectively. The Company is in default with the repayment terms for the majority of these convertible notes payable.

As of June 30, 2023, the conversion price of the non-related party convertible 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 \$25,625 and \$-0- for the three months ended June 30, 2023 and 2022, respectively, and \$34,167 and \$-0- for the six months ended June 30, 2023 and 2022, respectively, in the accompanying consolidated statements of operations.

Long-Term Notes payable: PPP Loans

On May 11, 2020, July 24, 2020 and February 24, 2021, the Company entered into PPP Notes evidencing unsecured loans in an aggregate principal amount of \$101,510 pursuant to the PPP under the CARES Act. The PPP Loan is administered by the U.S. Small Business Administration and the Company's loans were made through Funding Circle Marketplace and JP Morgan Chase Bank "(the Banks)". The PPP Loan bears interest at a fixed interest rate of one (1%) percent per year and matures in two (2) years after the issuance date. Payment of interest is deferred for the first six (6) months. Beginning on the seventh month following the date of the PPP Note (December 2020, February 2021 and August 2021), the Company is required to make 18 payments of equal monthly installments of principal and interest with the final payment due in May 2022, July 2022 and February 2023. The PPP Note provides for customary events of default including, among other things, cross-defaults on any other loan. The PPP Loan may be accelerated upon the occurrence of an event of default. The PPP Note may be prepaid by the Company at any time with no prepayment penalties applied.

The proceeds of the PPP Loan may be used for payroll costs, costs related to certain group health care benefits, rent payments, utility payments, mortgage interest payments, interest payments on other debt obligation that were incurred before February 15, 2020. The PPP Note contains events of defaults and other conditions customary for a note of this type.

The PPP Loan is guaranteed by the SBA. The Company may apply the Banks for forgiveness of the PPP Loan, with the amounts which may be forgiven equal to the sum of payroll costs, covered rent and mortgage obligations and covered utilities, which payments were incurred by the Company during the 24-week period beginning on the date of the notes and calculated in accordance with the CARES Act.

Under the terms of the CARES Act, the PPP Loan recipients can apply for and be granted forgiveness for all, or a portion of a loan granted under the PPP with such forgiveness to be determined subject to limitations based on the use of loan proceeds for payment of payroll costs and any payments of mortgage, interest, rent and utilities. The terms of any forgiveness may be subject to further requirements in any regulations and guidelines the SBA may adopt. While the Company currently believes that its use of the PPP Note proceeds will meet the conditions for forgiveness under the PPP, no assurance is provided that the Company will obtain forgiveness of the PPP Note in whole or in part. The Company has applied for forgiveness on the first two notes, dated May 11, 2020 and July 24, 2020. During July and August 2021, the Company received notice that the May 11, 2020 and July 24, 2020 PPP loans and accrued interest had been forgiven. During February 2022, the Company received notice the February 24, 2021 PPP loan and accrued interest had been forgiven. At March 31, 2022, the Company recorded a gain on the extinguishment of debt for \$51,251 in the accompanying statement of operations.

Long-Term Note payable: convertible non-related parties

The Company issued two convertible promissory notes to an individual and a corporation. The loans bears interest at 8% and mature on March 3, 2024 and November 10, 2024. After maturity, the interest rate increases to 10%. In addition, at any time, the individual may convert the note into shares of the Company's common stock at \$0.005 and \$0.01 per share. The Company calculates 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 on the date of issuance. There were no new convertible non-related party notes payable added during three-months ended June 30, 2023. The debt discounts are amortized through the terms of the notes. At March 31, 2023, an aggregate of principal and interest of \$106,667 was reclassified from long term to short term convertible debt. In addition, the associated debt discounts of \$50,000 was transferred from long term to short term convertible debt. The outstanding balances including accrued interest was \$15,795 and \$119,867 at June 30, 2023 and December 31, 2021. The outstanding principal balances net of debt discount was \$5,000 and \$42,917 at June 30, 2023.

As of June 30, 2023, the conversion price of the convertible 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 notes 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 \$1,875 and \$4,167 for the three months ended June 30, 2023 and 2022, respectively, and \$12,083 and \$16,667 for the six months ended June 30, 2023 and 2022, respectively, in the accompanying consolidated statements of operations.

Long-Term Notes payable: convertible related parties

The Company issued two convertible promissory notes on notes with various maturity dates to the Company's CEO and another related party. The loans bear interest at 8% and mature on March 3, 2024. After maturity, the interest rate increases to 10%. In addition, at any time, the related parties may convert the note into shares of the Company's common stock at \$0.01 per share. 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 on the date of issuance. There were no new convertible related party long-term notes payable added during the three-months ended June 30, 2023. The debt discounts are amortized through the terms of the notes. At March 31, 2023 an aggregate of principal and interest of \$234,330 was reclassified from long term to short term convertible debt. In addition, the associated debt discounts of \$102,500 was transferred from long term to short term convertible debt. The outstanding balances including accrued interest was \$-0- and \$221,354 at June 30, 2023 and December 31, 2022, respectively. The outstanding principal balances net of debt discount was \$-0- and \$85,417 at June 30, 2023 and December 31, 2022, respectively.

As of June 30, 2023, the conversion price of the convertible 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 notes 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 \$-0- and \$8,542 for the six months ended June 30, 2023 and 2022, respectively, \$17,083 and \$34,167 for the six months ended June 30, 2023 and 2022, respectively, in the accompanying consolidated statements of operations.

NOTE 6 – EQUITY TRANSACTIONS

The Company was established with two classes of stock, common stock, 500,000,000 shares authorized at a par value of \$0.001 and preferred stock 25,000,000 shares authorized at a par value of \$0.001.

The Series 2014A preferred stock outstanding was 50 shares at June 30, 2023 and December 31, 2022. The Series B preferred stock outstanding was 1,224,950 at June 30, 2023 and December 31, 2022, respectively. The common stock outstanding was 17,617,170 and 17,971,453 shares at June 30, 2023 and December 31, 2022, respectively.

Reverse stock split

On June 2, 2023, having received written consent of the Board of Directors and shareholders owning a majority of the shares entitled to vote, the Company filed a Certificate of Amendment to Articles of Incorporation whereby a 20-for-1 reverse stock split of its issued and outstanding common stock was authorized effective as of end of business on June 16, 2023. The Company's authorized capital stock remained at 500,000,000 shares of common stock and 25,000,000 shares of preferred stock. During June 2023 and in accordance with SEC Rule 10b-17 and FINRA Rule 6490, the Company submitted documents and other information to FINRA in furtherance of pursuing and obtaining approval of the subject reverse stock split. After submitting additional documents and other information to address and respond to FINRA requests, the Company received notice from FINRA that the subject 20-for-1 reverse stock split would have a market effective date of August 2, 2023. Immediately after effectiveness of the subject 20-for-1 reverse stock split, the Company had 17,617,170 shares of common stock issued and outstanding. None of the 1,000 shares of Series 2014A preferred stock and 24,999,000 shares of Series B preferred stock issued and outstanding were reduced as a result of the foregoing reverse stock split.

The June 30, 2023 and 2022 financial statements and notes have been adjusted to reflect the 20-for-1 reverse stock split.

As a result of the market effectiveness of the 20-for-1 reverse stock split of the Company's common stock on August 2, 2023, the following modifications occurred with respect to rights of holders of certain securities of the Company:

- The holders of Series B Preferred Stock issued and outstanding received a new, adjusted conversion right whereby twenty (20) shares of Series B Preferred Stock are henceforth converted into one (1) share of the Company's common stock;
- The holders of the 18,747,000 Class A Warrants issued and outstanding had the number of Warrants shares decreased to 937,450 Class A Warrants and the Exercise Price for each such Warrant increased to \$0.40 per Warrant share; and
- The holders of the 24,999,000 Class B Warrants issued and outstanding had the number of Warrants shares decreased to 1,249,950 Class B Warrants and the Exercise Price for each such Warrant increased to \$0.60 per Warrant share.

Preferred stock

On September 11, 2020, the Company designated 24,999,000 shares as Series B preferred stock, \$.001 par value. The preferred stock accrues dividends at a rate of 8% annually. After the 20-for-1 reverse stock split, The preferred stock is convertible to the Company's common stock whereby twenty (20) shares of Series B Preferred Stock are henceforth converted into one (1) share of the Company's common stock at a rate of \$0.20 per share.

Common Stock

On July 9, 2021, the Company signed an agreement with a consultant for accounting services to the Company. The consultant is compensated with cash and paid \$25 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 five (5) days prior to the date of each invoice. The consultant has earned 25,383 shares under the agreement valued at \$6,500 or \$0.2561 per share. The shares were not issued to the consultant at June 30, 2023.

On December 10, 2021, an investor, as assignee noteholder, converted \$12,000 of a Company payable into 15,000 restricted shares of the Company's common stock at \$0.80 per share to partially satisfy a portion of the remaining \$87,000 due under a \$132,000 contractual payment obligation under the Securities Purchase Agreement dated October 6, 2020. The shares were issued on January 7, 2022.

On October 22, 2021, an investor, as assignee noteholder, converted \$50,000 of principal into 250,000 restricted shares of the Company's common stock at \$0.20 per share to partially satisfy a convertible promissory note dated October 6, 2020. The shares were issued on January 7, 2022.

On March 2, 2022, an investor, as assignee noteholder, converted \$20,000 of a Company payable into 25,000 restricted shares of the Company's common stock at \$0.80 per share to fully satisfy the final portion of the remaining \$87,000 due under a \$132,000 contractual payment obligation under the Security Purchase Transaction dated October 6, 2020. The shares were issued on March 2, 2022.

On February 9, 2022, a former Company director converted \$25,000 of a Company payable into 31,250 restricted shares of the Company's common stock at \$0.80 per share to partially satisfy a portion of the remaining \$87,000 due under a \$132,000 contractual payment obligation under the Securities Purchase Agreement dated October 6, 2020. The shares were issued on April 8, 2022.

On February 9, 2022, an investor, as assignee noteholder, converted \$30,000 of a Company payable into 37,500 restricted shares of the Company's common stock at \$0.80 per share to partially satisfy a portion of the remaining \$87,000 due under a \$132,000 contractual payment obligation under the Securities Purchase Agreement dated October 6, 2020. The shares were issued on April 8, 2022.

Pursuant to the terms of the Asset Purchase Agreement dated July 8, 2022, as amended on August 22, 2022, a former director to the Company agreed to transfer and assign to the Company a total of 2,988,000 of his shares of the Company's common stock in exchange for a \$747,000 credit against the \$1,224,000 purchase price paid on the sale of the Company's eCommerce assets. On October 7, 2022, the 2,000,000 shares returned by the former director to the Company were cancelled. The remaining 988,000 shares were cancelled on October 12, 2022.

On April 5, 2023, the Company signed the Second Amended Purchase Agreement with a corporation controlled by a former director of the Company. The agreement modifies the July 8, 2022, Asset Purchase Agreement with the corporation to extend certain payments and provide a credit against a portion of the purchase price due on January 9, 2023 for \$40,000. To satisfy the \$40,000 due on January 9, 2023, the former director of the Company assigned to the Company his 354,317 shares of the Company's common stock. The stock was valued at \$40,000 or \$0.113 per share. During May 2023, the Company cancelled the 354,317 shares.

Common Stock Warrants

The Securities Purchase Agreements to purchase 24,999,000 shares as Series B Preferred Stock include, for each share of Series B Preferred Stock purchased, a Class A warrant which entitles the holder to purchase one share of the Company's common stock at an exercise price of \$0.40 per share for a three-year term and a Class B warrant which entitles the holder to purchase one share of the Company's common stock at an exercise price of \$0.60 per share for a two-year term.

The following table summarizes all stock warrant activity for the year ended June 30, 2023:

	Warrants	Weighted-Average Exercise Price Per Share
Outstanding, December 31, 2022	2,187,400	\$ 0.52
Granted	-	-
Exercised	-	-
Forfeited	-	-
Expired	-	-
Outstanding, June 30, 2023	2,187,400	\$ 0.52

The Company used the Black-Scholes-Merton option pricing model to estimate the fair value of each warrant with the following assumptions as of:

Risk-free interest rate	.06% - .17%
Expected life (in years)	1 – 1.5
Expected volatility	239.04% - 266.11%
Grant date fair value	\$0.013 - \$0.118

The Company records stock compensation expense over the expected life of the warrants in the accompanying consolidated statements of operations. The Company stock compensation expense of \$-0- and \$145,099 for the three months ended June 30, 2023 and 2022, respectively, and \$-0- and \$391,825 for the six months ended June 30, 2023 and 2022, respectively, in the accompanying consolidated statements of operations.

NOTE 7 – RELATED PARTY TRANSACTIONS

Sale of eCommerce business

Stonewall Enterprises Inc. (“Stonewall”) a corporation owned by the former CEO of DeDonato, and a former Company director acquired the Company’s eCommerce business on July 8, 2022. For a further discussion, see *Note 2 – Acquisitions Intangibles, and Sale of Assets*. In addition, the entity purchased other assets during the three months ended June 30, 2022.

On April 5, 2023, the Company signed the Second Amended Purchase Agreement with Stonewall. The agreement modifies the July 8, 2022, Asset Purchase Agreement with Stonewall to provide a credit against the \$40,000 payment due on January 9, 2023 in form of 354,317 shares of the Company’s common stock owned by the Company director and assigned to the Company. The stock was valued at \$40,000 or \$0.113 per share. The Company intends to cancel the shares. The 354,317 shares were cancelled in May 2023. The agreement extended the \$40,000 payment due on April 9, 2023 from Stonewall to April 9, 2024. In addition, the agreement extends the last \$6,909 monthly payments due on February 15, 2023 to September 15, 2023 and extends the March 15, 2023 and April 15, 2023 monthly payments of \$7,018 to October 15, 2023 and November 15, 2023, respectively.

On May 1, 2023, the Company signed an Asset Purchase Agreement with Lifiable Media, Inc. with a director of the Company (“LMI”) and Stonewall Enterprises. (a company owned by a former director of the Company) (“Stonewall”) whereby the Company sold to LMI two domain names (including the Flag and Cross domain name) and a Flag and Cross email list (“Purchased Assets”). Due to potential overlap related to assets purchased by Stonewall under the terms of an Asset Purchase Agreement dated July 8th 2022 discussed above, Stonewall agreed to take necessary actions and execute appropriate documents to (a) cause a Facebook page to be renamed to remove any association with, or affiliation with, the Flag and Cross domain acquired by LMI, and (b) cease use of the Flag and Cross domain for use in distributing emails. In exchange for the Purchased Assets, the Company received consideration in the amount of \$136,158.19 consisting of an LMI payment of \$40,000 in eight equal \$5,000 monthly installments, cancellation of certain \$10,000 short term advances made by LMI to the Company, partial cancellation of \$50,000 payable to LMI under a \$110,000 promissory note dated March 3, 2022, and cancellation of \$36,158 accounts payable due and owing to LMI.

Under the original and amended Asset Purchase Agreement with Stonewall Enterprises Inc., Stonewall owes the Company an aggregate of \$130,744 and \$314,174 as of June 30, 2023 and December 31, 2022, respectively, and recorded as part of current and other related party payables/receivables in the accompanying consolidated balance sheet.

Other related party transactions

The Company’s CEO and a related party has directly paid certain expenditures of the Company. The balance due the Company’s related parties was \$18,724 and \$28,724 as of June 30, 2023 and December 31, 2022, respectively, and recorded as part of current related party payable in the accompanying consolidated balance sheet.

The Company’s CEO is compensated with payment of \$7,500 per quarter. The agreement terminated on March 31, 2023. The balance due to the Company’s CEO is \$170,000 and \$162,500 as of June 30, 2023 and December 31, 2022, respectively, and netted as part of current related party receivables in the accompanying consolidated balance sheet.

On January 10, 2022, the Company hired Hanford Jordan as CEO of the Company's DeDonato Enterprises/Patriot Depot subsidiaries. Mr. Jordan will run both companies as they complete the merger of their business operations. Mr. Jordan currently serves as COO/CFO of Lifiable Media and the CEO of Western Journal and Firefly Engagement. He will retain those positions as well. Mr. Jordan is a CPA and has been an Executive with Lifiable Media for 7 years. Mr. Jordan's Management Agreement includes monthly compensation of \$10,000 until June 30, 2022 and on a month-to-month term thereafter. Under the agreement, Mr. Jordan has earned \$30,000 for the three months ended March 31, 2022, respectively. The agreement terminated on May 31, 2022 at which time Mr. Jordan ceased performing any services as CEO of the Company's DeDonato Enterprises/Patriot Depot subsidiaries. The balance due Mr. Jordan was \$3,000 at June 30, 2023 and December 31, 2022.

The current and long-term related party asset/liability balance due was \$27,980 at June 30, 2023 and the current and long-term related party assets was \$119,950 at December 31, 2022.

NOTE 8 – OPERATING LEASES

The Company determines if a contract contains a lease at inception. The Company's material long-term operating lease agreements are for buildings for our coffee shop and warehouse as well as our corporate offices. The lease term begins on the date that the Company takes possession under the lease, including the pre-opening period during construction, when in many cases the Company is not making rent payments. The initial lease terms range from 1 year to 3 years, most of which include renewal options totaling 9 years. The lease term is generally the minimum of the noncancelable period or the lease term including renewal options which are reasonably certain of being exercised up to a term of approximately 3 years.

Operating lease assets and liabilities are recognized at the lease commencement date for material leases with a term of greater than 12 months. Operating lease liabilities represent the present value of future minimum lease payments. Since our leases do not provide an implicit rate, our operating lease liabilities are calculated using the Company's secured incremental borrowing rate at lease commencement. We estimate this rate based on prevailing financial market conditions, comparable companies, credit analysis and management judgment. Minimum lease payments include only fixed lease components of the agreement, as well as variable rate payments that depend on a percentage increase over the term of the lease.

Operating lease assets represent our right to use an underlying asset and are based upon the operating lease liabilities adjusted for prepaid or accrued lease payments, initial direct costs and lease incentives as applicable.

Operating lease expense is recognized on a straight-line basis over the lease term. Variable lease payments that do not depend on a rate or index, escalation in the index subsequent to the initial measurement, payments associated with non-lease components such as common area maintenance, real estate taxes and insurance, and short-term lease payments (leases with a term with 12 months or less) are expensed as incurred.

On April 2, 2019, the Company signed a twelve-month short-term lease agreement for office/warehouse facilities between DeDonato from a third-party. The lease starts on July 20, 2020 and ends on July 20, 2021. The monthly rental is \$1,300 and an aggregate of \$15,600 over the term of the lease. During July 2021, the lease was renewed from July 20, 2021 to June 30, 2022 for \$1,300 a month and an aggregate of \$12,000 over the term of the lease. The lease was not renewed.

DeDonato operates a brick-and-mortar coffee shop (Thrasher Coffee) in leased premises. The facilities are under a lease agreement with a third-party landlord which expires on May 31, 2022, subject to one (1) three-year option to renew at an initial base rental rate of \$10.38 per square foot which increases 3% each year thereafter. The Company accepted the three-year renewal option on May 31, 2022.

USA Depot operates a leased warehouse. The facility is under a lease agreement with a third-party landlord which expires on May 31, 2024, subject to two (2) three-year option to renew at an which increases 3% each year with 120 days-notice prior to the end of the then-current lease. In addition, the Company pays additional rent for funds required to be paid by the leasee which are not specifically referred to as rent.

With the sale of the Company's eCommerce business on July 8, 2022, all leases were assumed by the buyer. For a further discussion, see *Note 2 – Acquisitions Intangibles, and Sale of Assets*.

NOTE 9 – SUBSEQUENT EVENTS

The Company evaluated all other events or transactions that occurred through August 14, 2023. During this period, the Company did not have any other material recognizable subsequent events.