

# LIG ASSETS, INC

## COMPANY INFORMATION AND DISCLOSURE STATEMENT

### ANNUAL REPORT

#### Item I: Name of the issuer and its predecessors (if any)

In answering this item, please also provide any names used by predecessor entities in the past five years and the dates of the name changes.

LIG Assets, Inc. was incorporated in the State Nevada on October 14, 2008

#### Item II: Address of the issuer's principal executive offices

##### Company Headquarters

Address 1: 328 Allard Road

Address 2:

Address 3: Ennis, TX 75119

Phone: 214-760-1000

Email: info@ligassetsinc.net

Website(s): www.ligassetsinc.net

##### IR Contact

Address 1: 328 Allard Road

Address 2:

Address 3: Ennis, TX, 75119

Phone: 214-760-1000

Email: info@ligassetsinc.net

Website(s): www.ligassetsinc.net

#### Item III: Security Information

Trading Symbol: LIGA

Exact title and class of securities outstanding: COMMON STOCK

CUSIP: 50187X107

Par or Stated Value: .0001

Total shares authorized: 2,400,000,000

as of: December 31, 2016

Total shares outstanding: 2,262,470,850

as of: December 31, 2016

Preferred share information (if necessary):

Exact title and class of securities outstanding: Series A Convertible Preferred Stock

CUSIP: N/A

Par or Stated Value: .001

Total shares authorized: 60,000,000

as of: December 31, 2016

Total shares outstanding: 50,000,000

as of: December 31, 2016

##### Transfer Agent

Name: Securities Transfer Corp.

Address 1: 2591 Dallas Parkway

Address 2: Suite 102  
Address 3: Frisco, Texas 75034  
Phone: 469-633-0101

Is the Transfer Agent registered under the Exchange Act?\*      Yes:       No:

\*To be included in the OTC Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

List any restrictions on the transfer of security:

None, except as required by law

Describe any trading suspension orders issued by the SEC in the past 12 months.

None

Within the past year please list any past, pending or anticipated stock split, stock dividend, recapitalization, merger, acquisition, spin-off, or reorganization:

In January of 2015 the Company increased the authorized of Common stock to 2,400,000,000 and increased the authorized of Preferred Series A stock to 60,000,000

On June 21, 2016, the Company issued 160,000,000 shares of restricted common stock to seven different individuals or entities pursuant to the Restructuring Agreement dated June 1, 2016. The shares were issued to these individual to entice them to come on board with the company in order help expand the real estate portion of the business.

Based on the Restructuring Agreement the Company changed the designation on the Series A Preferred stock where holders of Series A Preferred Stock shall be entitled to convert 1 share of Series A Preferred Stock into 1 share of common stock at any time. And Also based on the Restructuring Agreement, there will be no increase in the authorized number of common shares to be issued, no additional classes of stock created, and there will not be a reverse split in any amount for at least three years unless unanimously approved by the Board of Directors.

#### **Item IV: Issuance History**

List below any events, in chronological order, that resulted in changes in total shares outstanding by the issuer in the past two fiscal years and any interim period. The list shall include all offerings of securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services, describing (1) the securities, (2) the persons or entities to whom such securities were issued and (3) the services provided by such persons or entities. The list shall indicate:

<u>Between January 1, 2013 and December 31, 2013</u>	
Restricted Common shares issued for share exchange	114,155,072
Legend	Rule 144
<u>Between January 1, 2014 and September 30, 2014</u>	
Restricted Common shares issued for share exchange	85,331,999
Legend	Rule 144
<u>Between October 1, 2014 and December 31, 2014</u>	
Restricted Common shares issued for debt	209,406,009

Legend	Rule 144
<u>Between January 1, 2015 and December 31, 2015</u>	
Restricted Common shares issued for debt	1,512,666,667
Legend	Rule 144
<u>Between January 1, 2016 and December 31, 2016</u>	
Restricted Common shares issued for services	160,000,000
Legend	Rule 144
<u>Total outstanding shares as of December 31, 2016</u>	<u>2,262,470,850</u>

A. The nature of each offering (e.g., Securities Act Rule 504, intrastate, etc.);

N/A

B. Any jurisdictions where the offering was registered or qualified;

N/A

C. The number of shares offered;

N/A

D. The number of shares sold;

N/A

E. The price at which the shares were offered, and the amount actually paid to the issuer;

N/A

F. The trading status of the shares; and

N/A

G. Whether the certificates or other documents that evidence the shares contain a legend (1) stating that the shares have not been registered under the Securities Act and (2) setting forth or referring to the restrictions on transferability and sale of the shares under the Securities Act.

All shares were issued under the 144 legend

With respect to private offerings of securities, the list shall also indicate the identity of the persons who purchased securities in such private offering; *provided, however*, that in the event that any such person is an entity, the list shall also indicate (a) the identity of each natural person beneficially owning, directly or indirectly, more than ten percent (10%) of any class of equity securities of such entity and (b) to the extent not otherwise disclosed, the identity of each natural person who controlled or directed, directly or indirectly, the purchase of such securities for such entity.

N/A

## Item V Financial Statements

Provide the financial statements described below for the most recent fiscal year end or quarter end to maintain qualification for the OTC Pink Current Information tier. For the initial disclosure statement (qualifying for Current Information for the first time) please provide reports for the two previous fiscal years and any interim periods.

- A. Balance sheet;
- B. Statement of income;
- C. Statement of cash flows;
- D. Financial notes; and
- E. Audit letter, if audited

The financial statements requested pursuant to this item shall be prepared in accordance with US GAAP by persons with sufficient financial skills.

You may either (i) attach/append the financial statements to this disclosure statement or (ii) post such financial statements through the OTC Disclosure & News Service as a separate report using the appropriate report name for the applicable period end. (“Annual Report,” “Quarterly Report” or “Interim Report”).

See attached Balance Sheet, Statement of Operations, Statement of Cash Flow, Equity Statement, and Notes to the Financial Statements for the year ending December 31, 2016, attached to the end of this Annual Report.

If you choose to publish the financial reports separately as described in part (ii) above, you must state in the accompanying disclosure statement that such financial statements are incorporated by reference. You may reference the document(s) containing the required financial statements by indicating the document name, period end date, and the date that it was posted to otcq.com in the field below.

N/A

Information contained in a Financial Report is considered current until the due date for the subsequent Financial Report. To remain in the OTC Pink Current Information tier, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of its fiscal quarter-end date.

#### **Item VI: Describe the Issuer’s Business, Products and Services**

Describe the issuer’s business so a potential investor can clearly understand the company. In answering this item, please include the following:

- A. a description of the issuer’s business operations;

The Real Estate business has been the main focus of the Company in the past. It acquired, rehabilitated and rented or resold homes for profit throughout Texas. All of these homes have been lost along with the contract for deed that it held on a large block of homes in Texas. This model has been changed and the Company is in the process of acquiring blocks of land in Florida, California and North Carolina for development of sustainable housing.

On August 20, 2014, the Company entered into a Share Exchange Agreement (the “Agreement”) with Black Pearl Petroleum (BPP) wherein BPP was issued 36,000,000 outstanding shares of the Company’s Series A Preferred Stock and 4,000,000 shares of Jeffrey B. Love’s Series A Preferred, which he caused to be transferred to BPP, for and in exchange the Company received 20,000,000 shares (all of the shares) of common stock of CP Resources, LLC (a Nevada Corp) and 20,000,000 shares (all of the shares) of common stock of West Coast Partners, LLC (a Nevada Corp) both of which were BPP Companies. After the exchange BPP owns 40,000,000 shares of Series A Preferred (80%) and Jeffrey B. Love owns 10,000,000 shares of Series A Preferred (20%).

The share exchange agreement brought LIG Assets, Inc. into the Oil and Gas business. But because of the falling

oil prices and the lack of ability of the Company to raise any money the oil leases owned by West Coast Partners and CP Resources were lost.

On June 1, 2016, the Company signed a Restructuring Agreement that reorganized its management team and brought in a new President to concentrate on the real estate portion of the Company. The present CEO will remain and along with the new President and the Companies chief legal counsel will make up the new board of directors. An Advisory Board with three members was also formed.

The Company will concentrate on building sustainable housing with partners that have land or land developments to contribute to the deal. Projects have been set in motion in Panama City, Florida, and will be providing cash flow to the Company by the middle of the 2017, fiscal year.

B. Date and State (or Jurisdiction) of Incorporation:

LIG Assets, Inc. (the "Company") was incorporated in the State of Nevada on October 14, 2008.

C. the issuer's primary and secondary SIC Codes;

6411, 1381, 1382

D. the issuer's fiscal year end date;

December 31

E. principal products or services, and their markets;

Real Estate management and investment, Drilling Oil and Gas Wells, Oil and Gas Exploration Services

#### **Item VII: Describe the Issuer's Facilities**

The goal of this section is to provide a potential investor with a clear understanding of all assets, properties or facilities owned, used or leased by the issuer.

In responding to this item, please clearly describe the assets, properties or facilities of the issuer, give the location of the principal plants and other property of the issuer and describe the condition of the properties. If the issuer does not have complete ownership or control of the property (for example, if others also own the property or if there is a mortgage on the property), describe the limitations on the ownership.

The Company is being provided office space at

328 Allard Road  
Ennis, Texas 75119

The office space being provided is part of the secretary's home.

#### **Item VIII: Officers, Directors, and Control Persons**

The goal of this section 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 shareholders.

- A. Names of Officers, Directors, and Control Persons. In responding to this item, please provide the names of each of the issuer's executive officers, directors, general partners and control persons (control persons are beneficial owners of more than five percent (5%) of any class of the issuer's equity securities), as of the date of this information statement.

<u>Director</u>	<u>Aric Simons (Chairman)</u>
<u>Director</u>	<u>Kenneth C Wiedrich</u>
<u>Director</u>	<u>Charles Gambino</u>
<u>CEO</u>	<u>Kenneth C. Wiedrich</u>
<u>President</u>	<u>Charles Gambino</u>
<u>Secretary</u>	<u>Kenneth C. Wiedrich</u>

- B. Legal/Disciplinary History. Please identify whether any of the foregoing persons have, in the last five 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);

N/A

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;

N/A

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

N/A

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.

N/A

- C. Beneficial Shareholders. Provide a list of the name, address and shareholdings or the percentage of shares owned by all persons beneficially owning more than ten percent (10%) of any class of the issuer's equity securities. If any of the beneficial shareholders are corporate shareholders, provide the name and address of the person(s) owning or controlling such corporate shareholders and the resident agents of the corporate shareholders.

N/A

## **Item IX: Third Party Providers**

Please provide the name, address, telephone number, and email address of each of the following outside providers that advise your company on matters relating to operations, business development and disclosure:

### Legal Counsel (disclosure counsel only)

Name: Tad Mailander

Firm: Mailander Law Office, Inc

Address 1: 835 5<sup>th</sup> ASve, Ste 312

Address 2: San Diego, CA 92101

Phone: 619-239-9034

Email: tmailander@gmail.com

### Accountant or Auditor

Name: Kenneth C. Wiedrich

Firm: Rich Plains Consulting, LLC

Address 1: 31579 Mendocino Court

Address 2: Temecula, CA 92592

Phone: 951-760-6747

Email: kennethwiedrich@gmail.com

### Investor Relations Consultant

N/A

Other Advisor: Any other advisor(s) that assisted, advised, prepared or provided information with respect to this disclosure statement.

Name: N/A

Firm: N/A

Address 1: N/A

Address 2: N/A

Phone: N/A

Email: N/A

## **Item XX: Issuer Certification**

The issuer shall include certifications by the chief executive officer and chief financial officer of the issuer (or any other persons with different titles, but having the same responsibilities).

The certifications shall follow the format below:

I, Kenneth C. Wiedrich, certify that:

1. I am CEO, and acting CFO.
2. I have reviewed this Quarterly Information and Disclosure Statement of LIG Assets, Inc.
3. Based on my knowledge, this Information and 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 Information and Disclosure Statement; and
4. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of

operations and cash flows of the issuer as of, and for, the periods presented in this Information and Disclosure Statement.

Dated: March 20, 2017

/s/ Kenneth C. Wiedrich

Kenneth C. Wiedrich, CEO, and acting CFO

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**LIG ASSETS, INC.**  
**UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**

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**LIG ASSETS, INC.**  
**Consolidated Balance Sheet**

<u>ASSETS</u>	<u>(Unaudited)</u> <u>December 31,</u> <u>2016</u>	<u>(Unaudited)</u> <u>December 31,</u> <u>2015</u>
<b>Current Assets</b>		
Cash	\$ 889	\$ 209
Total Current Assets	889	209
<b>Fixed Assets</b>		
Equipment, net of depreciation	5,540	8,204
Total Fixed Assets	5,540	8,204
<b>Other Assets</b>		
Notes receivable	30,000	30,000
Investments- Real estate	-	12,654,441
Investment- LIG entertainment	10,000	10,000
Investment- Operating leases	-	64,500
Total Other Assets	40,000	12,758,941
<b>Total Assets</b>	\$ 46,429	\$ 12,767,354

**LIABILITIES AND STOCKHOLDERS' DEFICIT**

**Current Liabilities**

Accrued expense	244,500	215,6202
Accrued interest expense	214,063	267,677
Taxes payable	11,672	11,672
Notes payable – settlements	347,770	347,770
Notes payable - related party	37,018	16,416
Notes payable	392,950	409,750
Notes payable - TCA	220,000	686,129
Convertible notes payable	189,895	189,985
Total Current Liabilities	1,657,877	2,144,929

**Long-term liabilities**

Real Estate Note - FP Management	-	12,654,441
Total long-term liabilities	-	12,654,441
Total Liabilities	1,657,877	14,799,370

**Stockholders' Deficit**

Preferred Stock, authorized 60,000,000 shares, series A, \$0.0001 par value, 50,000,000 issued and outstanding as of December 31, 2016, and 50,000,000 issued and outstanding as of December 31, 2015, respectively	5,000	5,000
Common Stock, authorized 2,400,000,000 shares, \$0.0001 par value, 2,262,470,850 issued and outstanding as of December 31, 2016, and 2,102,470,850 shares issued and outstanding as of December 31, 2015, respectively	226,247	210,247

Additional Paid in Capital	1,150,296	1,118,296
Accumulated Retained Earnings	<u>(2,992,991)</u>	<u>(3,365,559)</u>
Total Stockholders' Equity (Deficit)	<u>(1,611,448)</u>	<u>(2,032,016)</u>
<b>Total Liabilities and Stockholders' Equity (Deficit)</b>	<b>\$ <u><u>46,429</u></u></b>	<b>\$ <u><u>12,767,354</u></u></b>

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

**LIG ASSETS, INC.**  
**Consolidated Statements of**  
**Operations**

	<b>For the Three Months Ended December 31, 2016</b>	<b>For the Twelve Months Ended December 31, 2016</b>
<b>Income</b>		
Sales- rentals	\$ -	\$ -
Sales of homes	-	-
<b>Total sales</b>	<u>-</u>	<u>-</u>
<b>Operating Expenses</b>		
Professional expenses	-	50,875
Compensation	5,600	19,900
General and admin expense	2,056	15,001
<b>Total Operating Expenses</b>	<u>7,656</u>	<u>85,866</u>
<b>Net Operating Loss</b>	<u>(7,656)</u>	<u>(85,866)</u>
<b>Other Income (Expense)</b>		
Other Income	-	240
Gain on extinguishment of debt	569,632	569,632
Loss on investments- oil leases	-	(41,550)
Interest expense	75,144	(69,889)
<b>Total Income (Expenses)</b>	<u>644,776</u>	<u>458,433</u>
<b>Loss before Taxes</b>	<u>637,120</u>	<u>372,567</u>
Tax provisions	-	-
<b>Net Loss</b>	<u>\$ 637,120</u>	<u>\$ 372,567</u>
Earnings (loss) per share; Basic and diluted	<u>\$ (0.000)</u>	<u>\$ (0.000)</u>
Weighted average number of shares outstanding	<u>2,262,470,850</u>	<u>2,187,073,590</u>

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

**LIG Assets, Inc**  
**Consolidated Statements of Stockholders' Deficit**

	Preferred Stock		Common Stock		Treasury Stock		Additional	Retained	Total
	Shares	Amount	Shares	Amount	Shares	Amount	Paid-in Capital	Deficit	Stockholders Deficit
Balance, December 31, 2014	50,000,000	\$ 5,000	589,804,183	\$ 58,980	-	\$ -	\$ 1,157,213	\$ (3,047,668)	\$ (1,826,475)
Stock issued for debt			1,512,666,667	151,267			(38,917)		112,350
Net Loss for period ending Dec 31, 2015								(317,891)	(317,891)
Balance Dec 31, 2015	50,000,000	\$ 5,000	2,102,470,850	210,247	-	-	1,118,295	(3,365,559)	(2,032,016)
Stock issued for services			160,000,000	16,000			32,000		48,000
Net gain for period ending December 31, 2016								372,567	372,567
Balance Dec 31, 2016	<u>50,000,000</u>	<u>\$ 5,000</u>	<u>2,262,470,850</u>	<u>\$ 226,247</u>	<u>-</u>	<u>\$ -</u>	<u>\$ 1,150,296</u>	<u>\$ (2,992,992)</u>	<u>\$ (1,611,449)</u>

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

# LIG Assets, Inc.

## Consolidated Statements of Cash Flows

(Unaudited)

**For the Twelve  
Months Ended  
December 31, 2016**

**Cash Flows from Operating Activities:**

Net Loss	\$	(372,567)
Adjustments to Reconcile Net Loss to Net Cash Used by Operations:		
Stock issued for services		48,000
Loss on investments- oil leases		64,500
Gain on extinguishment of debt		(469,129)
Depreciation expense		2,664
Changes in Operating Assets and Liabilities:		
Increase in accrued expenses/accounts payable		(75,613)
<b>Net Cash Used by Operating Activities</b>		<u>(54,011)</u>

**Cash Flows from Investing Activities:**

Purchase of fixed assets		-
<b>Net Cash Provided by Investing Activities</b>		<u>-</u>

**Cash Flows from Financing Activities:**

Proceeds from notes payable		34,089
Proceeds from notes payable- related party		26,602
<b>Net Cash Provided by Financing Activities</b>		<u>54,691</u>

Net Increase (Decrease) in Cash		680
Cash at Beginning of Period		209
<b>Cash at End of Period</b>	\$	<u><u>889</u></u>

**NON-CASH INVESTING AND FINANCIAL  
ACTIVITIES**

Stock issued for debt reduction	\$	-
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The accompanying notes are an integral part of these consolidated financial statements.

**LIG ASSETS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2016 AND DECEMBER 31, 2015**

**NOTE—1 ORGANIZATION AND BUSINESS BACKGROUND**

LIG Assets, Inc. ("Company") was incorporated in the State of Nevada on October 14, 2008.

The Real Estate business has been the main focus of the Company in the past. It acquired, rehabilitated and rented or resold homes for profit throughout Texas. All of these homes have been lost along with the contract for deed that it held on a large block of homes in Texas. This model has been changed and the Company is in the process of acquiring blocks of land in Florida, California and North Carolina for development of sustainable housing.

On August 20, 2014, the Company entered into a Share Exchange Agreement (the "Agreement") with Black Pearl Petroleum (BPP) wherein BPP was issued 36,000,000 outstanding shares of the Company's Series A Preferred Stock and 4,000,000 shares of Jeffrey B. Love's Series A Preferred, which he caused to be transferred to BPP, for and in exchange the Company received 20,000,000 shares (all of the shares) of common stock of CP Resources, LLC (a Nevada Corp) and 20,000,000 shares (all of the shares) of common stock of West Coast Partners, LLC (a Nevada Corp) both of which were BPP Companies. After the exchange BPP owns 40,000,000 shares of Series A Preferred (80%) and Jeffrey B. Love owns 10,000,000 shares of Series A Preferred (20%).

The share exchange agreement brought LIG Assets, Inc. into the Oil and Gas business. But because of the falling oil prices and the lack of ability of the Company to raise any money the oil leases owned by West Coast Partners and CP Resources were lost.

On June 1, 2016, the Company signed a Restructuring Agreement that reorganized its management team and brought in a new President to concentrate on the real estate portion of the Company. The present CEO will remain and along with the new President and the Companies chief legal counsel will make up the new board of directors. An Advisory Board with three members was also formed.

The Company will concentrate on building sustainable housing with partners that have land or land developments to contribute to the deal. Projects have been set in motion in Panama City, Florida, and will be providing cash flow to the Company by the middle of the 2017, fiscal year.

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

**Basis of presentation**

The Company's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The accompanying unaudited condensed financial statements have been prepared in accordance with accounting principles generally accepted in The United States of America and the rules and regulations of the Securities and Exchange Commission for interim financial information. Accordingly, they do not include all the information necessary for a comprehensive presentation of financial position and results of operations.

It is management's opinion, however, that all material adjustments (consisting of normal and recurring adjustments) have been made which are necessary for a fair financial statements presentation.

### **Use of estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

### **Cash equivalents**

The Company considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. At December 31, 2016 and December 31, 2015, the Company had no cash equivalents.

### **Fair value of financial instruments**

The Company adopted the provisions of FASB ASC 820 (the "Fair Value Topic") which defines fair value, establishes a framework for measuring fair value under GAAP, and expands disclosures about fair value measurements.

The Fair Value Topic defines fair value as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. It requires that valuation techniques maximize the use of observable inputs and minimize the use of unobservable inputs. It also establishes a fair value hierarchy, which prioritizes the valuation inputs into three broad levels.

The following fair value hierarchy is used to classify assets and liabilities based on the observable inputs and unobservable inputs used in order to value the assets and liabilities:

- A) Market approach—Uses prices and other relevant information generated by market transactions involving identical or comparable assets or liabilities. Prices may be indicated by pricing guides, sale transactions, market trades, or other sources;
- B) Cost approach—Based on the amount that currently would be required to replace the service capacity of an asset (replacement cost); and
- C) Income approach—Uses valuation techniques to convert future amounts to a single present amount based on current market expectations about the future amounts (includes present value techniques, and option-pricing models). Net present value is an income approach where a stream of expected cash flows is discounted at an appropriate market interest rate.

Level 1: Quoted market prices available in active markets for identical assets or liabilities as of the reporting date. An active market for an asset or liability is a market in which transactions for the asset or liability occur with significant frequency and volume to provide pricing information on an ongoing basis.

Level 2: Observable inputs other than Level 1 inputs. Example of Level 2 inputs include quoted prices in active markets for similar assets or liabilities and quoted prices for identical assets or liabilities in markets that are not active.

Level 3: Unobservable inputs based on the Company's assessment of the assumptions that are market participants would use in pricing the asset or liability.

The carrying amount of the Company's financial assets and liabilities, such as cash, prepaid expenses, accounts payable, accrued expenses, and deferred revenue approximate their fair value because of the short maturity of those

instruments. The Company's note payable approximates the fair value of such instruments based upon management's best estimate of interest rates that would be available to the Company for similar financial arrangements at December 31, 2016 and December 31, 2015.

The Company had no assets and/or liabilities measured at fair value on a recurring basis at December 31, 2016 and December 31, 2015, using the market and income approaches.

### **Property and Equipment**

Property and equipment are recorded at cost. Expenditures for major additions and betterments are capitalized. Maintenance and repairs are charged to operations as incurred. Depreciation is computed by the straight-line method over the assets estimated useful life of three (3) years for equipment, (5) years for automobile, and (7) years for furniture and fixtures. Upon sale or retirement of property and equipment, the related cost and accumulated depreciation are removed from the accounts and any gain or loss is reflected in statements of operations.

### **Impairment of long-lived assets**

The Company follows paragraph 360-10-05-4 of the FASB Accounting Standards Codification for its long-lived assets. The Company's long-lived assets, such as intellectual property, are required to be reviewed for impairment annually, or whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

The Company assesses the recoverability of its long-lived assets by comparing the projected undiscounted net cash flows associated with the related long-lived asset or group of long-lived assets over their remaining estimated useful lives against their respective carrying amounts. Impairment, if any, is based on the excess of the carrying amount over the fair value of those assets. Fair value is generally determined using the asset's expected future discounted cash flows or market value, if readily determinable. If long-lived assets are determined to be recoverable, but the newly determined remaining estimated useful lives are shorter than originally estimated, the net book values of the long-lived assets are depreciated over the newly determined remaining estimated useful lives.

The Company determined that there were no impairments of long-lived assets as of December 31, 2016, and December 31, 2015.

### **Commitments and contingencies**

The Company follows subtopic 450-20 of the FASB Accounting Standards Codification to report accounting for contingencies. Liabilities for loss contingencies arising from claims, assessments, litigation, fines and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount of the assessment can be reasonably estimated.

### **Revenue recognition**

The Company follows paragraph 605-10-S99-1 of the FASB Accounting Standards Codification for revenue recognition. The Company will recognize revenue when it is realized or realizable and earned. The Company considers revenue realized or realizable and earned when all of the following criteria are met: (i) persuasive evidence of an arrangement exists, (ii) the product has been shipped or the services have been rendered to the customer, (iii) the sales price is fixed or determinable, and (iv) collectability is reasonably assured. In addition, the Company records allowances for accounts receivable that are estimated to not be collected.

### **Net income (loss) per share**

The Company computes basic and diluted earnings per share amounts pursuant to section 260-10-45 of the FASB Accounting Standards Codification. Basic earnings per share is computed by dividing net income (loss) available to common shareholders, by the weighted average number of shares of common stock outstanding during the period, excluding the effects of any potentially dilutive securities. Diluted earnings per share is computed by dividing net income (loss) available to common shareholders by the diluted weighted average number of shares of common stock during the period. The diluted weighted average number of common shares outstanding is the basic weighted number of shares adjusted as of the first day of the year for any potentially diluted debt or equity.

There were 2,262,470,850 basic/dilutive shares outstanding as of December 31, 2016. The majority of these shares were issued on the conversion of convertible notes payable.

### **Subsequent events**

The Company follows the guidance in Section 855-10-50 of the FASB Accounting Standards Codification for the disclosure of subsequent events. The Company will evaluate subsequent events through the date when the financial statements were issued.

### **Recently issued accounting pronouncements**

The FASB issued ASU 2016-09 in March 2016, to provide guidance to entities that issue share-based payment awards to their employees as part of its Simplification Initiative. The objective of the Simplification Initiative is to identify, evaluate, and improve areas of generally accepted accounting principles (GAAP) for which cost and complexity can be reduced while maintaining or improving the usefulness of the information provided to users of financial statements. The areas for simplification in this Update were identified through outreach for the Simplification Initiative and involve several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows.

The FASB issued ASU 2014-15 on August 27, 2014, providing guidance on determining when and how to disclose going-concern uncertainties in the financial statements. The new standard requires management to perform interim and annual assessments of an entity's ability to continue as a going concern within one year of the date the financial statements are issued. An entity must provide certain disclosures if "conditions or events raise substantial doubt about [the] entity's ability to continue as a going concern." The ASU applies to all entities and is effective for annual periods ending after December 15, 2016, and interim periods thereafter, with early adoption permitted.

Management does not believe there would be a material effect on the accompanying financial statements had any other recently issued but not yet effective accounting standards been adopted in the current period.

### **NOTE—3 GOING CONCERN**

These financial statements have been prepared in accordance with generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities and commitments in the normal course of business. The Company has an accumulated deficit of \$2,992,992. The Company's ability to continue as a going concern is contingent upon its ability to achieve and maintain profitable operations, and the Company's ability to raise additional capital as required.

These conditions raise substantial doubt about the Company's ability to continue as a going concern. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts, or amounts and classification of liabilities that might result from this uncertainty.

#### NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following:

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Equipment - computers	\$ 16,719	\$ 16,719
Office furniture	10,349	10,349
	<u>27,068</u>	<u>27,068</u>
Less: accumulated depreciation	(21,528)	(18,864)
	<u>\$ 5,540</u>	<u>\$ 8,204</u>

#### NOTE 5 – NOTES RECEIVABLE

As of December 31, 2016, and December 31, 2015, \$30,000 remained to be collected on the SAMP note. Payments on this note were scheduled to be completed in 2015 and are now past due. The collectability of this note is in doubt but management believes there is still a chance to collect this so it still being carried as an asset.

#### NOTE 6 – REAL ESTATE INVESTMENT

As of the year ended December 31, 2016, the Company lowered the value of its real estate holdings to \$0.00. The Company was unable to exercise the contract for deed and FP Management withdrew the offer to sell the mortgages that are the basis of the contract for deed.

On May 4, 2015, the Company entered into a Mortgage Loan Purchase Contract and Real Estate Purchase Agreement. This agreement was for the purchase of the all of the properties under contract for deed and was predicated on the Company obtaining the necessary mortgage financing to complete the agreement. The Company was unable to obtain the necessary financing and so FP Management withdrew the offer.

The Company had lost the rest of its real estate holdings in 2015. The only property assets left were the ones that the Company had a contract for deed on and these holdings no longer have any value, based on the fact that financing could not be obtained. As of December 31, 2015, the Company had valued the investment at \$12,654,441.

#### NOTE 7 - LIG ENTERTAINMENT

The Company originally advanced a filming company \$135,000 for half ownership in a movie produced in the Austin, Texas area. The movies are complete and final editing has been completed as well. The release date for the movies is not known at this time but the value of the movie appears to be minimal. As of December 31, 2016, the Company has determined to value the investment at the amount that it has been offered which is \$10,000. The Company is exploring other avenues to market the movie so it has not taken the offer but has determined to use that amount as the current value. The Company valued this asset at \$10,000 in December 31, 2015, as well.

#### NOTE 8 - INVESTMENTS IN OPERATING LEASES

Based on the share exchange agreement with Black Pearl Petroleum the Company acquired CP Resources, LLC and West Coast Partners, LLC. The original amount of the investment in leased oil and gas properties for both Companies was valued at cost in the amount of \$160,000. As of December 31, 2016, the Company has determined the value of the investments to be \$0.00. The lease held by CP Resources, LLC, a subsidiary of the Company, has gone bankrupt and the Company has written off the \$10,000, which was the amount it had valued that lease by. West Coast Partners, LLC, another subsidiary of the Company, lost all of it leases on the 36,000 acres that it had

under lease in Nevada. This amounts to an \$150,000 write down in the value in the amount the Company was valuing that investment. As of December 31, 2015, the remaining value of the operating leases was \$64,500 which represented 57% of the leases the West Coast Partners still owned at that time.

#### **NOTE 9 - ACCRUED EXPENSE**

As of the year ended December 31, 2016, the Company has \$244,509 in accrued expenses. This liability is to cover estimated unpaid items and contingent liability items. As of the year ended December 31, 2015, the Company had accrued expenses of \$215,620.

#### **NOTE 10 - ACCRUED INTEREST EXPENSE**

As of the year ended December 31, 2016, the Company accrued \$214,063 in interest expense. As of the year ended December 31, 2015, the Company had \$267,677 in accrued interest expense. This figure is lower this fiscal year because of the adjusted interest due TCA based on the negotiated settlement with TCA.

#### **NOTE 11 - NOTES PAYABLE- SETTLEMENTS**

As of the year ended December 31, 2016, the Company has notes payable or individuals that it has settled with or is in the process of settling with in the amount of \$347,770. As of the year ended December 31, 2015, the Company had \$347,770 in notes payable under settlement.

#### **NOTE 12 - NOTES PAYABLE- RELATED PARTY**

As of the year ended December 31, 2016, the Company has a balance due related party of \$37,018. This amount is due to an officer of the Company for monies loaned to the Company to meet operating costs. As of the year ended December 31, 2015, the Company had \$16,416 due a related party.

#### **NOTE 13 - NOTES PAYABLE**

As of the year ended December 31, 2016, the Company had notes payable in the amount of \$392,950. These notes are all based on monies being loaned to the Company by other companies or by individuals. As of the year ended December 31, 2015, the Company had \$409,750 in notes payable. The reduction of these notes in the current year was due to a small adjustment to one of the notes.

#### **NOTE 14 - NOTES PAYABLE - TCA**

During the fiscal year ended December 31, 2016, the Company entered into a settlement agreement with TCA Global for \$240,000 to be paid off over a two-year period. The Company paid \$20,000 upon signing the settlement agreement and agreed to pay \$5,000 a month for 18 months starting on May 17, 2017, with the final payment of \$130,000 due on November 17, 2018. The original note was for \$500,000 and after being reduced by some payments and increased by interest and penalty accumulated to a principal amount due of \$686,129, with accrued interest and penalty in the amount of \$123,503 for a total amount due TCA of \$809,632, as of the year ended December 31, 2015. As of the year ended December 31, 2016, the Company took a gain on extinguishment of debt of \$569,632, consisting of a gain on principal of \$446,129 and a gain on accrued interest of \$123,503. This settlement was made possible in part due to Jeff Love also agreeing to personally settle for \$250,000 to be paid over an 18 month period. As of December 31, 2015, the Company had a principal amount owed to TCA of \$686,129 with accrued interest and penalty due of \$123,503 for a total amount due TCA of \$809,632.

#### **NOTE 15 - REAL ESTATE NOTE**

As of December 31, 2016, the Company owes \$0 on its real estate investment. The Company was not able to exercise its contract for deed and so the debt associated with the contract becomes \$0. As of the year ended December 31, 2015, the Company owed \$12,654,441 all of which were properties under a contract for deed.

During the year ended December 31, 2015, the Company also wrote off the homes that it had owned but lost during the year. These homes had previously been valued at \$174,298 and with the write off brought the debt reported as of December 31, 2015, to \$12,654,441.

**NOTE 16 - CURRENT CONVERTIBLE NOTES PAYABLE**

During the year ended December 31, 2016, the Company issued no new convertible notes payable and it did not issue any common stock in payment of convertible notes. The balance of the convertible notes payable as of December 31, 2016, is \$189,895. The Company has accrued \$48,574 in unpaid interest as of December 31, 2016.

During the year ended December 31, 2015, the Company issued a \$72,500 note to Magna of which \$50,000 was used to pay down the TCA note and 22,500 was for legal fees. It also issued a \$26,000 convertible note to another party and converted \$112,350 of the Company debt to common stock. The Company had current convertible notes payable of \$189,895 as of December 31, 2015, with accrued unpaid interest on those notes of \$48,574.

**NOTE 17 - STOCKHOLDERS' EQUITY**

During the year ended December 31, 2015, the Company increased its authorized number of common shares as well as its authorized shares of preferred shares. It also changed its designation for conversion rights and voting rights of its preferred shares. The Company is now authorized to issue 2,400,000,000 shares of common stock, and 60,000,000 shares of Series A Preferred Stock all with a par value of \$.0001. The holders of Series A Preferred Stock have the right to convert 1 share of Series A Preferred into 1 share of the Company's common stock. The holders of Series A Preferred are now entitled to 1 vote per 1 vote of common stock voting together with holders of common stock.

From January 1, 2015 to December 31, 2015 the Company issued 1,512,666,667 Shares of restricted common stock in settlement of \$112,350 of convertible notes and interest payable. As of December 31, 2015, there were 2,102,470,850 shares of common stock outstanding.

During the year ended December 31, 2016, the Company issued 160,000,000 shares of restricted common stock for services. This brings the total issued and outstanding to 2,262,470,850 shares of common stock as of December 31, 2016.

**NOTE 18 - SUBSEQUENT EVENTS**

Management has evaluated subsequent events pursuant to the requirements of ASC Topic 855 and has determined that other than listed below, no material subsequent events exist through the date of this filing.

1. Subsequent to the year ended December 31, 2016, the Company was notified that a hotel loan, which was guaranteed by a number of separate guarantors including the Company, defaulted. As of the date of this filing, no legal action has been filed or is pending concerning the Company. While a legal suit is possible against the Company, Management determined that the probable risk to the Company is small at this time, and has determined not to recognize a contingent liability. Management will continue to monitor this situation and if it becomes warranted, will recognize the appropriate liability.