

Disclosure Statement Pursuant to the Pink Basic Disclosure Guidelines



a Florida Corporation

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SIC CODE: 3629

Annual Report

For the Period Ending: September 30, 2019
(the "Reporting Period")

As of December 31, 2018, the number of shares outstanding of our Common Stock was: 72,683,117

As of September 30, 2019, the number of shares outstanding of our Common Stock was: 79,197,117

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 status has changed since the previous reporting period:

Yes: No:

Indicate by check mark whether a Change in Control¹ of the company has occurred over this reporting period:

Yes: No:

1) 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.

¹ "Change in Control" shall mean any events resulting in:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becoming the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities;

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets;

(iii) A change in the composition of the Board occurring within a two (2)-year period, as a result of which fewer than a majority of the directors are directors immediately prior to such change; or

(iv) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

AV1 GROUP, INC.

Date and state (or jurisdiction) of incorporation (also describe any changes to incorporation since inception, if applicable)
Please also include the issuer's current standing in its state of incorporation (e.g. active, default, inactive):

FL; APRIL 1998

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

Yes: No:

2) Security Information

Trading symbol:	AVOP	
Exact title and class of securities outstanding:	COMMON	
CUSIP:	00241Q309	
Par or stated value:	\$.00001	
Total shares authorized:	120,000,000	as of date: 09/30/2019
Total shares outstanding:	79,197,117	as of date: 09/30/2019
Number of shares in the Public Float ² :	17,035,535	as of date: 09/30/2019
Total number of shareholders of record:	720	as of date: 09/30/2019

Additional class of securities (if any):

Trading symbol:		
Exact title and class of securities outstanding:	<u>PREFERRED</u>	
CUSIP:		
Par or stated value:	<u>\$.0001</u>	
Total shares authorized:	5,000,000	as of date: 09/30/2019
Total shares outstanding:	0	as of date: 09/30/2019

Transfer Agent

Name: PACIFIC STOCK TRANSFER
Phone: 702.361.3033
Email: info@pacificstocktransfer.com

Is the Transfer Agent registered under the Exchange Act?³ Yes: No:

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

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

² "Public Float" shall mean the total number of unrestricted shares not held directly or indirectly by an officer, director, any person who is the beneficial owner of more than 10 percent of the total shares outstanding (a "control person"), or any affiliates thereof, or any immediate family members of officers, directors and control persons.

³ To be included in the Pink Current Information tier, the transfer agent must be registered under the Exchange Act.

3) Issuance History

The goal of this section is to provide disclosure with respect to each event that resulted in any direct changes to the total shares outstanding of any class of the issuer's securities **in the past two completed fiscal years and any subsequent interim period**. Disclosure under this item shall include, in chronological order, all offerings and issuances of securities, including debt convertible into equity securities, whether private or public, and all shares or any other securities or options to acquire such securities issued for services. Using the tabular format below, please describe these events.

A. Changes to the Number of Outstanding Shares

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

Number of Shares outstanding as of 03/31/2017	Opening Balance: Common: 101,203,117 Preferred:100,000		*Right-click the rows below and select "Insert" to add rows as needed.						
Date of Transaction	Transaction type (e.g. new issuance, cancellation, shares returned to treasury)	Number of Shares Issued (or cancelled)	Class of Securities	Value of shares issued (\$/per share) at Issuance	Were the shares issued at a discount to market price at the time of issuance? (Yes/No)	Individual/ Entity Shares were issued to (entities must have individual with voting / investment control disclosed).	Reason for share issuance (e.g. for cash or debt conversion) OR Nature of Services Provided (if applicable)	Restricted or Unrestricted as of this filing?	Exemption or Registration Type?
02/15/2019	Issuance	6,514,000	Common	\$32,750	Yes	Six-Twenty Capital (5)	Debt Conversion	Unrestricted	Section 3(a)9
05/09/2017	Issuance	2,500,000	Common	100,000	No	Abdel Almashhoor	Acquisition	Restricted	Section 4(2)
05/16/2017	Cancel	2,900,000	Common						
05/17/2017	Cancel	50,000,000	Common						
07/06/2017	Issuance	2,500,000	Common	100,000	No	(1)	Services	Restricted	Section 4(2)
09/22/2017	Issuance	4,500,000	Common	200,000	No	(2)	Salaries	Restricted	Section (2)
09/22/2017	Issuance	1,880,0000	Common	110,000	No	(3)	Acquisition	Restricted	Section (2)
11/08/2017	Issuance	1,500,000	Common	80,000	No	Abdel Almashhoor	Acquisition	Restricted	Section (2)
Shares Outstanding on 09/30/2019	Ending Balance: Common: 79,197,117 Preferred:0								

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

- (1) Chesapeake and Hermosa;
- (2) Bryen Beglinger and Heather Atkins
- (3) LISA LANDAU, BRYAN THEIS, JON-GARRETT FORTUNE, FREDERICK BRYANT ATKINS, LISA WEHRING, ANNA SPANTON, JASON TURNER and ALLEN SNYDER
- (4) A total of 6,500,000 shares were issued in Q4 2017. The Company has placed a STOP on these shares and in the process of cancelling and returning to treasury.
- (5) Jason Sunstein, 1501 India St., San Diego, CA 92101

B. Debt Securities, Including Promissory and Convertible Notes

Use the chart and additional space below to list and describe any issuance of promissory notes, convertible notes or convertible debentures **in the past two completed fiscal years and any subsequent interim period.**

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

Date of Note Issuance	Outstanding Balance (\$)	Principal Amount at Issuance (\$)	Interest Accrued (\$)	Maturity Date	Conversion Terms (e.g. pricing mechanism for determining conversion of instrument to shares)	Name of Noteholder	Reason for Issuance (e.g. Loan, Services, etc.)
06/30/2019	<u>\$246,875</u>	<u>\$201,179</u>	<u>\$45,695</u>	_____	_____	Six-Twenty Capital Management, LLC	Loans

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

As of May 6, 2019, the Company entered into a Settlement Agreement with Six-Twenty Capital Management, LLC \$246,875 (\$201,179 and accrued interest of \$45,695) for 20,000,000 restricted common shares. These notes and notes previously issued in prior periods (starting in June 2015). The Company intends to issue the common stock and cancel the debt by year end December 31, 2019.

4) Financial Statements

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

- U.S. GAAP
- IFRS

B. The financial statements for this reporting period were prepared by (name of individual)⁴:

Name: LISA LANDAU
 Title: CFO
 Relationship to Issuer: OFFICER

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

- C. Balance sheet;
- D. Statement of income;
- E. Statement of cash flows;
- F. Financial notes; and

⁴ The financial statements requested pursuant to this item must be prepared in accordance with US GAAP or IFRS by persons with sufficient financial skills.

G. Audit letter, if audited

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

If you choose to publish the financial statements in a separate report as described 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 OTCIQ in the field below.

Financial statement information is considered current until the due date for the subsequent report (as set forth in the qualifications section above). To remain qualified for Current Information, a company must post its Annual Report within 90 days from its fiscal year-end date and Quarterly Reports within 45 days of each fiscal quarter-end date.

5) Issuer’s Business, Products and Services

The purpose of this section is to provide a clear description of the issuer’s current operations. In answering this item, please include the following:

- A. Summarize the issuer’s business operations (If the issuer does not have current operations, state “no operations”)

AV1 Group, Inc. is a publicly traded investment and holding company established to identify, secure, and monetize emerging growth companies, technologies and ecommerce businesses positioned for exponential growth. The Company seeks to discover inspired entrepreneurs with revolutionary concepts which can make a substantial footprint in markets that the Company believes to have considerable growth potential.

- B. Describe any subsidiaries, parents, or affiliated companies, if applicable, and a description of their business contact information for the business, officers, directors, managers or control persons. Subsidiary information may be included by reference

The Company’s principal holdings include a 100% equity interest in X-Fire, Inc., a Michigan corporation, a 49% equity interest in Intelligent Lighting Corp., a Nevada corporation, and a 99.4% equity interest in DENT Group, Inc., a Wyoming corporation. The Company reports the results of its operations on a consolidated basis.

- C. Describe the issuers’ principal products or services, and their markets

AV1 Group, Inc.’s comprehensive business model also includes a division which delivers internally created projects that are poised for revenue generation, and a platform enabling the Company to develop embryonic stage subsidiaries under one umbrella, bringing a spectrum of backgrounds to the table, thus providing a significant resource of experience, knowledge and expertise to every venture. AV1 Group, Inc. explores every opportunity to help each sector exceed their revenue goals while building close, active working relationships; preparing each respective division to be a robust competitor in their chosen markets.

6) 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. If the issuer leases any assets, properties or facilities, clearly describe them as above and the terms of their leases.

The Company maintains office space in San Diego, California provided by the officers of the Company at no cost, which is adequate for its current needs.

7) 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 or beneficial shareholders. Using the tabular format below, please provide information regarding any person or entity owning 5% or more of the issuer, as well as any officer, and any director of the company, regardless of the number of shares they own. **If any listed are corporate shareholders or entities, provide the name and address of the person(s) beneficially owning or controlling such corporate shareholders, or the name and contact information of an individual representing the corporation or entity in the note section.**

Name of Officer/Director and Control Person	Affiliation with Company (e.g. Officer/Director/Owner of more than 5%)	Residential Address (City / State Only)	Number of shares owned	Share type/class	Ownership Percentage of Class Outstanding	Note
Bryen Beglinger	President and CEO	3112 Goldsmith St., San Diego, CA 92106	4,000,000	Common	5.5%	_____
Lisa Landau	V.P. and CFO	1198 PACIFIC COAST HWY, #D512, SEAL BEACH, CA, 90740	1,000,000	Common	1.5%	_____
*Catalyst Ventures, LLC Gilbert Fuentes, Manager	Shareholder	1621 Central Ave., Cheyenne, WY 82001	40,000,000	Common	70%	*The Company is in the process of re-issuing these shares to the selling shareholders of Cataylst Ventures, LLC

ABDEL MAJID ALMASHHOOR	Shareholder	421 MAYAPPLE CT ROCHESTER HILLS, MI 48307	4,000,000	Common	5.5%	_____
_____	_____	_____	_____	_____	_____	_____

8) Legal/Disciplinary History

A. Please identify whether any of the persons 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 incidental to the business, to which the issuer or any of its subsidiaries is a party or of which any of their property is the subject. Include the name of the court or agency in which the proceedings are pending, the date instituted, the principal parties thereto, a description of the factual basis alleged to underlie the proceeding and the relief sought. Include similar information as to any such proceedings known to be contemplated by governmental authorities.

None

9) Third Party Providers

Please provide the name, address, telephone number and email address of each of the following outside providers:

Securities Counsel

Bauman Law Firm
6228 Dartle Street
Las Vegas, NV 89130
Phone (702) 533-8372
(800) 991-8697
fred@baumanlaw.com

Accountant or Auditor

Patrick Ross | Partner
HASKELL & WHITE LLP
300 Spectrum Center Drive, Suite 300 | Irvine, CA 92618
Direct (949) 450-6362 | Fax (949) 450-6201 | pross@hwcpa.com

Investor Relations Consultant

Name: _____
Firm: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Other Service Providers

Provide the name of any 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 issuer during the reporting period.

Name: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

Name: _____
Firm: _____
Nature of Services: _____
Address 1: _____
Address 2: _____
Phone: _____
Email: _____

10) Issuer Certification

Principal Executive Officer:

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, Bryen Beglinger certify that:

1. I have reviewed the nine months ended September 30, 2019 disclosure statement of AV1 Group, 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 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 disclosure statement.

11/20/2019

/s/ Bryen Beglinger

Principal Financial Officer:

I, Lisa Landau certify that:

1. I have reviewed the nine months ended September 30, 2019 disclosure statement of AV1 Group, 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 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 disclosure statement.

11/20/2019

/s/ Lisa Landau

Consolidated Financial Statements
AV1 GROUP, INC.
As of and for the Nine Months
Ended September 30 , 2019

**AV1 GROUP, INC TABLE
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AV1 GROUP, INC.
Consolidated Balance Sheet
As of September 30, 2019

ASSETS

Current assets	
Cash	\$ 1,081
Total current assets	<u>1,081</u>
Investments & Acquisitions	<u>325,000</u>
Total assets	<u><u>\$ 326,081</u></u>

Current liabilities

LIABILITIES

Accounts payable	\$ 19,345
Convertible notes payable	246,875
Accrued Salaries	<u>360,000</u>
Total liabilities	<u>616,220</u>

Stockholders' equity (deficit)

Common stock, 120,000,000 authorized; 79,197,117 issued and outstanding	796
Preferred stock, 5,000,000 authorized; No Preferred issued and outstanding	0
Paid-in capital	850,125
Accumulated deficit	<u>(1,141,090)</u>
Total stockholders' equity (deficit)	<u>(290,139)</u>

Total liabilities and stockholders' equity (deficit)	<u><u>\$ 326,081</u></u>
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AV1 GROUP, INC.

**Consolidated Statement of Operations
For the Nine Months Ended
September 30, 2019**

Revenue	\$ 1,240
Selling, general and administrative expense	<u>362,159</u>
Operating loss	(360,919)
	<hr/>
Net loss	<u>\$ (360,919)</u>
	<hr/>
Net loss per share, basic and diluted	\$ (0.001)
	<hr/> <hr/>

Consolidated Statement of Stockholders' Equity

For the Nine Months Ended

September 30, 2019

	<u>Common Stock</u>		<u>Preferred Stock</u>		Paid in Capital	Treasury Stock Receivable	Accumulated Deficit	Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount				
Balances December 31, 2018	72,683,117	\$ 726	0	\$ 0	\$ 0			\$329,528
Debt Cancellation (620 Capital)	6,514,000	\$ 32,570						
Balance September 30, 2019	79,197,117	\$ 729	0	\$ 0	\$850,125			
Net Loss					\$(360,919)		\$(1,141,760)	\$(290,139)

AV1 GROUP, INC.

**Consolidated Statement of Cash Flows
For the Nine Months
September 30, 2019**

Operating Activities:

Net loss	\$ (360,919)
Adjustments to reconcile net loss to net cash used in operations:	
Stock issued for services	
Impairment of intangible assets	
Accounts payable	(19,345)
Accrued Salaries	(360,000)
Net cash used in operating activities	<u>(28,781)</u>

Financing Activities:

Proceeds from convertible notes payable	<u>0</u>
Net cash provided by financing activities	<u> </u>
Net cash decrease for the period	4,528
Cash at beginning of the period	<u>3,477</u>
Cash at end of period	<u>\$ 1,081</u>

AV1 GROUP, INC.

Notes to the Consolidated Unaudited Financial Statements September 30, 2019

NOTE 1 – NATURE OF OPERATIONS AND BASIS OF PRESENTATION

AV1 Group, Inc. (“Company”) is an investment and holdings company. The Company was originally organized as a Florida corporation on April 23, 1998. The Company is focused on identifying and acquiring investments in emerging growth companies in a number of sectors that include cannabis related technologies and ecommerce businesses. For more information visit: <http://www.av1group.com>.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Company’s principal holdings include a 100% equity interest in X-Fire, Inc., a Michigan corporation, a 49% equity interest in Intelligent Lighting Corp., a Nevada corporation, and a 99.4% equity interest in DENT Group, Inc., a Wyoming corporation. The Company reports the results of its operations on a consolidated basis.

The Company consolidates the financial results of the entities in which it has controlling financial interests, and as a consequence, the assets and liabilities of all such entities are presented on a consolidated basis in the Company’s financial statements. The portion of stockholders’ equity and net income not owned by the Company is immaterial and therefore is not presented separately.

In the opinion of management, the accompanying consolidated balance sheet, statements of operations, stockholders' deficit and cash flows include all adjustments, consisting only of normal recurring items, for their fair presentation in conformity with accounting principles generally accepted in the United States (“US GAAP”). These consolidated financial statements are presented in United States dollars.

Property

The Company does not own or rent any property. The principal executive offices are located in San Diego, California, which is provided to the Company by significant shareholders free of charge until such time that the Company is able to generate cash flow to pay from operations.

Use of Estimates

Preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect certain reported

amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and their reported amounts of sales and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Impairment of Assets

The Company reviews its acquisitions for potential impairment indicators whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. US GAAP related to the impairment or disposal of long-lived assets requires that if impairment indicators exist and the expected undiscounted cash flows generated by the asset are less than its carrying amount, an impairment provision should be recorded to write down the carrying amount of the asset to its fair value.

Revenue Recognition

The Company's revenue recognition policy is based on the revenue recognition criteria established under US GAAP. Revenue is recognized when the following conditions are met: (1) persuasive evidence of an arrangement (typically a signed contract or purchase order); (2) delivery has occurred; (3) the price is fixed and determinable; and (4) collectability is reasonable assured.

Stock Based Compensation

When applicable, the Company will account for stock-based payments to employees in accordance with US GAAP. Stock-based payments to employees include grants of stock, grants of stock options and issuance of warrants that are recognized in the consolidated statement of operations based on their fair values at the date of grant.

The Company accounts for stock-based payments to non-employees in accordance with US GAAP. Stock-based payments to non-employees include grants of stock, grants of stock options and issuances of warrants that are recognized in the consolidated statement of operations based on the value of the vested portion of the award over the requisite service period as measured at its then-current fair value as of each financial reporting date.

Accounting Pronouncements

The Company assesses any new accounting pronouncements to determine their applicability to the Company. Where it is determined that a new accounting pronouncement affects the Company's financial reporting, the Company undertakes a study to determine the consequence of the change to its financial statements and assures that there are proper controls in place to ascertain that the Company's financials properly reflect the change. Given

the lack of operating activities, management has not devoted substantial effort into studying or identifying recent accounting pronouncements that may be applicable to the Company's future operations.

Income Taxes

The Company follows the liability method of accounting for income taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax balances. Deferred tax assets and liabilities are measured using enacted or substantially enacted tax rates expected to apply to the taxable income in the years in which those differences are expected to be recovered or settled. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the date of enactment or substantive enactment.

Net Loss per Share

Basic loss per share includes no dilution and is computed by dividing loss available to common stockholders by the weighted average number of common shares outstanding for the period. Dilutive loss per share reflects the potential dilution of securities that could share in the losses of the Company. Because the Company does not have any potentially dilutive securities, the accompanying presentation is only of basic loss per share.

NOTE 3 – GOING CONCERN

The Company's financial statements are prepared in accordance with generally accepted accounting principles applicable to a going concern. This contemplates the realization of assets and the liquidation of liabilities in the normal course of business. The net loss for the nine months ended September 30, 2019 was \$360,919 and the Company has very limited working capital. The Company does not have a source of revenue sufficient to cover its operation costs giving substantial doubt for it to continue as a going concern. The Company will be dependent upon the raising of additional capital through selling of common stock in order to implement its business plan, or merge with an operating company. Management is currently evaluating several investment opportunities which are at various stages of due diligence. Given the complex nature of such investigations and negotiations, management cannot predict when any future investments will be consummated. There can be no assurance that the Company will be successful in these efforts in order to continue as a going concern.

NOTE 4 – CAPITAL STOCK

The Company's authorized capital at September 30, 2019 is 120,000,000 common shares with a par value of \$0.00001 per share, of which there are 79,197,117 shares issued and outstanding, and 5,000,000 preferred shares with a par value of \$0.00001 per share, of which there are no preferred shares issued and outstanding.

NOTE 5 – INCOME TAXES

Management did not provide any current U.S. federal income tax provision or benefit for the current or any prior periods because the Company has experienced operating losses since inception. Management has determined that the Company does not have any uncertain tax positions and associated unrecognized benefits that would impact the consolidated financial statements or related disclosures.

Deferred income tax assets and liabilities are computed annually for differences between financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

The net deferred tax assets and liabilities included in the financial statements consist of the following amounts at September 30, 2019:

Deferred Tax Assets:	
Net operating loss carryforwards	\$1,141,090
Total	1,141,090
Less valuation allowances	(1,141,090)

The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, historical taxable income including available net operating loss carryforwards to offset taxable income, and projected future taxable income in making this assessment.

The Company has federal operating losses of approximately \$1,141,090 available at September 30, 2019 which, if not used, will begin to expire in 2029. Management believes that the Company has a similar amount of state operating losses available, however the expiration dates have not been determined as the Company has operated in more than one state. Past and future changes in the ownership of the Company may place limitations on the use of these net operating losses.

NOTE 6 – CONVERTIBLE NOTES PAYABLE

As of May 6, 2019, the Company entered into a Settlement Agreement with Six-Twenty Capital Management, LLC \$246,875 (\$201,179 and accrued interest of \$45,695) for 20,000,000 restricted common shares. These notes and notes previously issued in prior periods (starting in June 2015). The Company intends to issue the common stock and cancel the debt by year end December 31, 2019.

NOTE 7 – INTANGIBLE ASSETS

Intangible assets acquired in business combination are recognized based on the fair value of net assets acquired or the consideration provided. Indefinite lived intangible assets, representing trademarks and trade names, are not amortized unless their useful life is determined to be finite. Long-lived intangible assets are subject to amortization using the straight-line method. Indefinite lived intangible assets are tested for impairment annually as of December 31st of each year and more often if a triggering event occurs.

NOTE 8 –SUBSEQUENT EVENTS

The Company evaluates events that have occurred after the balance sheet date of September 30, 2019, through the date which the financial statements were available to be issued. Based upon the review the Company did not identify any recognized or non-recognized subsequent events that would have required adjustment or disclosure in the financial statements.

The Company recently received an e-mail from a vendor threatening to litigate over a contract from 2014. The contract provided that certain assets were to be delivered to the Company by December 2014, but were not delivered. Accordingly, no payment was made. The Company and the Company's corporate counsel believe that the vendor's threat of a lawsuit is without merit, in part because the 4-year statute of limitations under the contract expired in 2018. If the vendor files a lawsuit, the Company will vigorously defend itself on those and other grounds.

On May 30, 2019, the Company entered into a Stock Purchase Agreement (the "SPA"), whereby the Company agreed to issue 200,000,000 shares of its common stock in exchange for 100% of the issued and outstanding stock of OMID Holdings Inc. The SPA also provides for the Spin-Out of the Companies three subsidiaries to the Company's two officers and directors in exchange for the Buyers assumption of all of the Company's liabilities existing prior to the Closing Date. Although the closing is scheduled for the end of November, 2019, there is no assurance that this transaction will close at that time or ever.

DISCLOSURE:

Lost in Space, LLC is not a subsidiary of the Company. It is an inactive Delaware limited liability company. The Company does own www.vaporhighusa.com. This web site is also inactive.