ARTEC GLOBAL MEDIA, INC.

FORM 10-Q
(Quarterly Report)

Filed 06/20/16 for the Period Ending 04/30/16

Address	249 SOUTH HIGHWAY 101, #324
	SOLANA BEACH, CA, 92075
Telephone	844-505-2285
CIK	0001561865
Symbol	ACTL
SIC Code	7389 - Services-Business Services, Not Elsewhere Classified
Industry	Construction Materials
Sector	Basic Materials
Fiscal Year	01/31

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

☒ QUARTERLY REPORT UNDER SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For quarterly period ended April 30, 2016

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ___________ to___________

Commission file number 333-186732

ARTEC GLOBAL MEDIA, INC.

(Exact name of registrant as specified in its charter)

Nevada	**99-0381772**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1000 E William St Suite 204 Carson City, NV	**89701**
(Address of principal executive offices)	(Zip Code)

(844) 505-2285
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, $0.001 Par Value
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☐
Non-accelerated filer (Do not check if a smaller reporting company)	☐	Smaller reporting company	☒

Indicate by check mark whether the registrant is a shell company (as defined in 12b-2 of the Exchange Act). Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date: 699,217,523 shares of common stock, par value $0.001, were outstanding on June 13, 2016. The registrant's common stock is listed under the symbol "ACTL".

Transitional Small Business Disclosure Format Yes ☐ No ☒

ARTEC GLOBAL MEDIA, INC.
FORM 10-Q

For the Quarterly Period Ended April 30, 2016

Table of Contents

PART I — FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

Artec Global Media, Inc.
Balance Sheets

	April 30, 2016 (Unaudited)	January 31, 2016
Assets		
Current Assets		
Cash	$ 17,619	$ 19,859
Accounts receivable	-	9,150
Total current assets	17,619	29,009
Deposits	2,500	-
Total assets	$ 20,119	$ 29,009
Liabilities and Stockholders' Equity (Deficit)		
Current Liabilities		
Accounts payable & accrued expenses	$ 27,972	$ 22,308
Interest payable	47,748	16,902
Senior secured revolving credit facility, net of discount of $42,056 and $111,988	422,944	353,012
Debentures, net of discount of $16,460 and $22,711	183,540	177,289
Convertible notes - net of discount of $176,399 and $45,419	275,462	135,207
Common stock liability	2,853,102	402,988
Total Current Liabilities	3,810,768	1,107,706
Long-term Liabilities:		
Convertible notes - net of discount of $16,667 and $0	8,333	11,654
Total long-term liabilities	8,333	11,654
Total liabilities	3,819,101	1,119,360
Commitments and contingencies		
Stockholders' Equity (Deficit)		
Preferred stock, $0.001 par value 10,000,000 shares authorized; issued and outstanding, none.	-	-
Common stock, $0.001 par value 750,000,000 shares authorized; issued and outstanding 699,217,523 and 445,555,447 at April 30, 2016 and January 31, 2016, respectively.	699,217	445,555
Additional paid-in-capital	737,391	967,275
Accumulated deficit	(5,235,590)	(2,503,181)
Total stockholders' equity (deficit)	(3,798,982)	(1,090,351)
Total liabilities and stockholders' equity (deficit)	$ 20,119	$ 29,009

(The accompanying notes are an integral part of these financial statements)

Artec Global Media, Inc.
Statements of Operations
For the Three Months Ended April 30, 2016 and 2015

	Three Months Ended April 30, 2016	2015
Revenue	$ 217,622	$ 136,253
Operating expenses:		
Data, media and processing costs	170,367	144,619
Sales and Marketing	25,907	24,758
General and administrative expenses	269,652	103,490
Total operating expenses	465,926	272,867
Loss from operations	(248,304)	(136,614)
Other income (expense):		
Interest expense	(97,955)	(6,917)
Accretion of debt discount	(154,635)	(44,523)
Change in fair value of common stock liability	(2,231,515)	-
Total income (expense)	(2,484,105)	(51,440)
Net loss	$ (2,732,409)	$ (188,054)
Basic and diluted loss per common share	$ (0.00)	$ (0.02)
Weighted average number of common shares outstanding - basic	636,870,252	9,281,159

(The accompanying notes are an integral part of these financial statements)

Artec Global Media, Inc.
Statement of Stockholders' Deficit
For the Three Months Ended April 30, 2016 and Year Ended January 31, 2016

	Common Stock		Additional paid-in	Accumulated	Total Stockholders'
	Shares	Amount	Capital	Deficit	Deficit
Balance, January 31, 2015	9,250,255	$ 9,250	$ 1,294,395	$ (1,377,522)	$ (73,877)
Common stock issued for services	425,000	425	8,650	-	9,075
Proceeds from sale of common stock	10,740,000	10,740	106,260	-	117,000
Convertible promissory notes converted to common stock	417,010,192	417,010	(116,641)	-	300,369
Discount on convertible promissory note due to beneficial conversion feature	-	-	76,729	-	76,729
Discount on convertible promissory note due to common stock issued	8,130,000	8,130	870	-	9,000
Common stock liability	-	-	(402,988)	-	(402,988)
Net loss	-	-	-	(1,125,659)	(1,125,659)
Balance, January 31, 2016	445,555,447	445,555	967,275	(2,503,181)	(1,090,351)
Convertible promissory notes converted to common stock	253,662,076	253,662	(229,884)	-	23,778
Discount on convertible promissory note due to beneficial conversion feature	-	-	218,599	-	218,599
Common stock liability - shares issuable in excess of authorized common shares	-	-	(218,599)	-	(218,599)
Net loss	-	-	-	(2,732,409)	(2,732,409)
Balance, April 30, 2016 (Unaudited)	699,217,523	$ 699,217	$ 737,391	$ (5,235,590)	$ (3,798,982)

(The accompanying notes are an integral part of these financial statements)

Artec Global Media, Inc.
Statements of Cash Flows (Unaudited)
For the Three Months Ended April 30, 2016 and 2015

	Three Months Ended April 30,	
	2016	2015
Cash flows from operating activities		
Net loss	$ (2,732,409)	$ (188,054)
Adjustments to reconcile net loss to net cash provided (used) by operating activities:		
Common stock issued for services	-	6,250
Accretion of debt discount	154,635	44,523
Fees incurred in exchange for convertible notes	162,500	-
Increase in interest expense for note conversion add-backs and adjustments	66,454	-
Change in common stock liability	2,231,515	-
Changes in assets and liabilities:		
Decrease (increase) in accounts receivable	9,150	791
Decrease (increase) in other assets	(2,500)	3,234
Increase (decrease) in accounts payable and accrued expenses	5,664	(23,074)
Increase (decrease) in accrued interest	31,501	6,917
Net cash used in operating activities	(73,490)	(149,413)
Cash flows from financing activities		
Proceeds from sale of common stock	-	70,000
Proceeds from convertible promissory notes	71,250	25,000
Proceeds from shareholder loans	-	6,000
Repayment of shareholder loans	-	(4,500)
Net cash provided by financing activities	71,250	96,500
Increase (decrease) in cash	(2,240)	(52,913)
Cash and cash equivalents at beginning of period	19,859	56,745
Cash and cash equivalents at end of period	$ 17,619	$ 3,832
Supplemental disclosures of cash flow information		
Cash paid during the year for:		
Taxes paid	$ -	$ -
Interest paid	$ -	$ -
Non-cash financing activities:		
Value of common stock issued for services	$ -	$ 6,250
Common stock issued for conversion of convertible promissory notes	$ 23,778	$ -
Debt discount recorded for beneficial conversion feature	$ 218,599	$ 15,741

(The accompanying notes are an integral part of these financial statements)

ARTEC GLOBAL MEDIA, INC.
NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

NOTE 1 - Basis of Presentation, Organization, Going Concern and Concentrations of Credit Risk

Basis of Presentation

The unaudited financial statements of Artec Global Media, Inc. (the " **Company** ," " **we** ," " **us** ," " **our** ") as of April 30, 2016, and for the three months ended April 30, 2016 and 2015, have been prepared in accordance with accounting principles generally accepted in the United States for interim financial reporting. Accordingly, they do not include all of the disclosures required by accounting principles generally accepted in the United States for complete financial statements and should be read in conjunction with the audited financial statements and notes thereto for the year ended January 31, 2016, as filed with the Securities and Exchange Commission as part of the Company's Form 10-K. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair presentation of the interim financial information have been included. The Company did not record an income tax provision during the periods presented due to net taxable losses. The results of operations for any interim period are not necessarily indicative of the results of operations for the entire year.

Organization

Artec Global Media, Inc. was incorporated under the laws of the State of Nevada on August 6, 2012 ("Inception") originally intending to commence operations in the business of distributing crystal white glass floor tile. The Company was in the development stage until January 2013 when the Company changed its focus to providing online marketing and reporting solutions to companies and began generating revenue. Thus, beginning in the quarter ending April 30, 2014, the Company left the development stage. On June 30, 2014 the Company changed its name from Artec Consulting Corp. to Artec Global Media, Inc. to more accurately align our corporate name with our current business activities.

On September 10, 2015, the Board and shareholders holding a majority of the issued and outstanding voting shares approved an increase in the Company's authorized capital stock from 75 million shares of common stock, par value $0.001 per share and no preferred stock to 750 million shares of common stock, par value $0.001 per share and 10 million shares of preferred stock, par value $0.001 per share. The increase was recorded by the Nevada Secretary of state on November 10, 2015.

Going Concern

The Company has not generated positive net income since inception. The Company has an accumulated deficit of $5,235,590 as of April 30, 2016, and does not have positive cash flows from operating activities. The accompanying financial statements have been prepared in conformity with generally accepted accounting principles in the United States of America, which contemplates continuation of the Company as a going concern, which is dependent upon the Company's ability to establish itself as a profitable business.

In its report with respect to the Company's financial statements for the year ended January 31, 2016, the Company's independent auditors expressed substantial doubt about the Company's ability to continue as a going concern. Because the Company has not yet generated net income from its operations, its ability to continue as a going concern is wholly dependent upon its ability to obtain additional financing and increase revenue.

As of April 30, 2016, the Company had cash and cash equivalents of $17,619. Based upon its current and near term anticipated level of operations and expenditures, the Company's cash on hand is insufficient to enable it to continue operations for the next twelve months. As a result, the Company is seeking additional financing but has no commitments to obtain any such financing, and there can be no assurance that financing will be available in amounts or on terms acceptable to the Company, if at all. If adequate funds are not available on reasonable terms, or at all, it would result in a material adverse effect on the Company's business, operating results, financial condition and prospects.

Concentrations of credit risk

At April 30, 2016, the Company had no accounts receivable. At January 31, 2016, two customers accounted for 100% (85% and 15%) of accounts receivable.

During the three months ended April 30, 2016, two customers accounted for 33% (20% and 13%) of sales. During the three months ended April 30, 2015, two customers accounted for 37% (27% and 10%) of sales.

NOTE 2 - Convertible Promissory Notes

Following is a summary of our outstanding convertible promissory notes as of April 30, 2016:

	Note(s)		Current Balances		Non-Current Balances		Common Stock
Lender	Issue Date	Maturity	Principal	Interest	Principal	Interest	Equivalents
LG Capital Funding, LLC	10/30/2014, 1/30/2015	1 year	$ 80,125	$ 11,684	$ -	$ -	470,817,999
LG Capital Funding, LLC	3/1/2016	3/1/2017	78,750	1,036	-	-	1,450,647,572
JMJ Financial	4/28/2015	4/28/2017	10,274	-	-	-	171,234,000
Vista Capital Investments, LLC	12/4/2014	12/4/2016	121	-	-	-	2,413,600
Typenex Co-Investment, LLC	1/7/2015	7/7/2016	75,198	2,789	-	-	1,199,785,538
Vis Vires Group, Inc.	6/8/2015	3/10/2016	69,893	6,035	-	-	357,029,779
Search4.com, Inc.	2/5/2016	2/5/2017	100,000	2,833	-	-	685,555,556
T McNeil Advisors, LLC	3/4/2016	3/4/2017	37,500	468	-	-	690,336,239
Timothy Honeycutt	4/29/2016	4/29/2019	-	-	25,000	-	104,166,667
Totals			$ 451,861	$ 24,845	$ 25,000	$ -	5,131,986,950
Debt discount balance			(176,399)	-	(16,667)	-	
Balance sheet balances			$ 275,462	$ 24,845	$ 8,333	$ -	

Following is a summary of our outstanding convertible promissory notes as of January 31, 2016:

	Note(s)		Current Balances		Non-Current Balances	
Lender	Issue Date	Maturity	Principal	Interest	Principal	Interest
LG Capital Funding, LLC	10/30/14, 1/30/15	1 year	$ 83,625	$ 7,279	$ -	$ -
JMJ Financial	11/12/14, 4/28/15	2 year	-	-	11,654	-
Vista Capital Investments, LLC	12/4/14	12/4/2016	3,295	-	-	-
Typenex Co-Investment, LLC	1/7/15	7/7/2016	48,406	40	-	-
Vis Vires Group, Inc.	6/8/15	3/10/2016	45,300	3,500	-	-
Totals			$ 180,626	$ 10,819	$ 11,654	$ -
Debt discount balance			(45,419)	-	-	-
Balance sheet balances			$ 135,207	$ 10,819	$ 11,654	$ -

LG Capital Funding Convertible Notes

LG Notes 1 and 2

On October 30, 2014, Artec and LG Capital Funding, LLC (" **LG Capital** ") entered into a Securities Purchase Agreement (the " **LG SPA 1** "). Under the LG SPA 1, LG Capital will provide $165,375 in three equal payments of $55,125 and evidenced by a convertible promissory note on each of October 31, 2014, January 29, 2015 and a date to be determined. On October 31, 2014, Artec received $50,000 net of $5,125 ($2,500 legal fees and $2,625 OID) and issued a convertible promissory note (the " **LG Note 1** ") in the amount of $55,125. On January 30, 2015, Artec received $50,000 net of $5,125 ($2,500 legal fees and $2,625 OID) and issued a convertible promissory note (the " **LG Note 2** ") in the amount of $55,125. The LG Note 1 and LG Note 2 (collectively the " **LG Notes** ") matured on October 30, 2015 and January 30, 2016, respectively, accrue interest of 8% and are convertible into shares of common stock any time 180 days after the date of each LG Note at a conversion price equal to 65% of the lowest closing bid price as quoted on a national exchange for ten prior trading days including the date on which the Notice of Conversion is received by Artec. In no event shall LG Capital effect a conversion if such conversion results in LG Capital beneficially owning in excess of 9.9% of the outstanding common stock of the Company. Accrued interest shall be paid in shares of common stock at any time at the discretion of LG Capital pursuant to the conversion terms above.

The Company is in default on LG Note 1 and LG Note 2, with a principal balance totaling $80,125 as of April 30, 2016, due to there being an unpaid balance as of the date of maturity. As a result, the interest on LG Note 1 and LG Note 2 increased to 24%.

The debt discounts attributable to the fair value of the beneficial conversion feature, legal fees and OID amounted to $29,681 and $30,252 for LG Note 1 and LG Note 2, respectively, and were accreted over the term of the LG Notes.

During the three months ended April 30, 2016, the Company recognized $4,758 of interest expense. During the three months ended April 30, 2015, the Company recognized $2,151 of interest expense and $14,614 of debt discount accretion.

During the three months ended April 30, 2016, LG Capital converted $3,853 of principal and interest into 39,820,076 shares of common stock.

LG Notes 3 and 4

On March 31, 2016, Artec and LG Capital entered into a Securities Purchase Agreement (the " **LG SPA 2** "). Under the LG SPA 2, LG Capital will provide $315,000 in four equal payments of $78,750 and evidenced by a convertible promissory note on each of March 1, 2016 (" **LG Note 3** ") and May 9, 2016 (" **LG Note 4** ") with the remaining amounts funded as agreed by the parties at a later date. On each of March 15, 2016, and May 4, 2016 Artec received $71,250 net of $7,500 ($3,750 legal fees and $3,750 OID) for total proceeds of $142,500 and issued two convertible promissory notes each in the amount of $78,750 (collectively the " **2016 LG Notes** "). The 2016 LG Notes mature in one year, accrue interest of 8% and are convertible into shares of common stock any time at a conversion price equal to 55% of the lowest trading price as quoted on a national exchange for twenty prior trading days including the date on which the Notice of Conversion is received by Artec. In no event shall LG Capital effect a conversion if such conversion results in LG Capital beneficially owning in excess of 9.9% of the outstanding common stock of the Company. Interest shall be paid in cash. The Note may not be prepaid.

The debt discounts attributable to the fair value of the beneficial conversion feature, legal fees and OID amounted to $71,932 and $71,932 for LG Note 3 and LG Note 4, respectively, and are being accreted over the term of the 2016 LG Notes.

During the three months ended April 30, 2016, the Company recognized $1,036 of interest expense and $10,592 of debt discount accretion.

JMJ Financial Convertible Note

On November 12, 2014, Artec and JMJ Financial entered into a $250,000 Convertible Promissory Note (the " **JMJ Note** "). Under the JMJ Note, JMJ Financial will advance various amounts up to $250,000 in their sole discretion. Each advance matures two years from the date of advance (the " **JMJ Maturity Date** ") and carries the following terms: (i) no interest for the first 90 days with a one-time 12% charge on the 90 th day outstanding; (ii) each advance may be repaid within 90 days after which Artec may not make further payments prior to the JMJ Note Maturity Date; (iii) each advance includes a 10% original issue discount. JMJ Financial may convert at their discretion any or all of the outstanding principal and interest at any time from the date of each advance into shares of common stock at a conversion price equal to 60% of the lowest trade price in the 25 trading days previous to the conversion. Unless otherwise agreed in writing by both parties, at no time will JMJ Financial convert any amount of the JMJ Note into common stock that would result in the JMJ Financial owning more than 4.99% of the common stock outstanding. Artec receved $35,000 pursuant to the JMJ Note (" **JMJ Note 1** ") on November 12, 2014 and recorded a debt discount of $25,926 attributable to the fair value of the beneficial conversion feature. Artec received $25,000 pursuant to the JMJ Note (" **JMJ Note 2** ") (collectively the " **JMJ Notes** ") on April 28, 2015 and recorded a debt discount of $18,519 attributable to the fair value of the beneficial conversion feature. The debt discounts are being accreted over the term of the JMJ Notes.

The Company recognized $0 interest expense and $0 of debt discount accretion during the three months ended April 30, 2016. The Company recognized $4,667 of interest expense and $3,212 of debt discount accretion during the three months ended April 30, 2015.

During the three months ended April 30, 2016, JMJ converted $1,380 of principal and interest into a total of 11,500,000 shares of common stock leaving a balance of $10,274 as of April 30, 2016.

Vista Capital Investments Convertible Note

On December 4, 2014, Artec and Vista Capital Investments, LLC (" **Vista** ") entered into a Securities Purchase Agreement (the " **Vista SPA** "), for the sale of a 12% convertible note in the principal amount of $250,000 (which includes a $25,000 original issue discount) (the " **Vista Note** ") of which Vista funded $35,000 upon closing. Additional consideration, up to the principal amount, is payable to Artec at the discretion of Vista. Artec has no obligation to pay Vista any amounts on the unfunded portion of the Vista Note. The Vista Note bears a one-time interest charge of 12% on the date consideration is received. All interest and principal must be repaid two years from the date consideration is received. The Vista Note is convertible into common stock, at Vista's option, at 60% of the lowest trade occurring during the twenty five (25) consecutive trading days immediately preceding the conversion date. In the event the Company elects to prepay all or any portion of the Vista Note within 90 days of the issuance date, the Company is required to pay to Vista an amount in cash equal to 145% multiplied by the sum of all principal, interest and any other amounts owing. Unless otherwise agreed in writing by both parties, at no time will Vista convert any amount of the Vista Note into common stock that would result in the Vista owning more than 4.99% of the common stock outstanding.

The debt discount attributable to the fair value of the beneficial conversion feature amounted to $38,889 for the Vista Note and is being accreted over the term of the Vista Note.

The Company recognized $10,000 of interest expense related to a default penalty pursuant to section 3(b)(iv) of the Vista Note and recorded $22,534 of debt discount accretion through January 31, 2016. During the three months ended April 30, 2016, the Company recognized $16,355, or the remainder of the unrecognized debt discount accretion as a result of the conversion of $3,175 of debt into 63,500,000 shares of common stock during the three months ended April 30, 2015 leaving a balance of $121.

Typenex Financing

On January 7, 2015, Artec entered into a Securities Purchase Agreement with Typenex Co-Investment, LLC (" **Typenex** "), for the sale of a 10% convertible note in the principal amount of $225,000 (which includes Typenex legal expenses in the amount of $5,000 and a $20,000 original issue discount) (the " **Typenex Note** ") of which Typenex funded $75,000 upon closing. We have no obligation to pay Typenex any amounts on the unfunded portion of the Typenex Note. Additionally, Typenex issued to the Company three notes, aggregating $125,000, bearing interest at the rate of 8% per annum with each note maturing seventeen months from January 7, 2015 (the " **Typenex Investor Notes** "). The Typenex Investor Notes may be prepaid, without penalty, all or portion of the outstanding balance along with accrued but unpaid interest at any time prior to maturity. No cash changed hands in exchange for the Typenex Investor Notes. The purpose of the Typenex Investor Notes is to facilitate the timely sale of common stock in the future should Typenex fund the Typenex Investor Notes.

The Typenex Note bears interest at the rate of 10% per annum. All interest and principal must be repaid on June 7, 2016. As of June 7, 2016, the balance of principal and interest was $79,800 and unpaid which constitutes a default subject to a 15% penalty of the total outstanding balance. The Typenex Note is convertible into common stock, at Typenex's option, at the lesser of (i) $5.00, and (ii) 70% (the "Conversion Factor") of the average of the three (3) lowest Closing Bid Prices in the twenty (20) Trading Days immediately preceding the applicable Conversion, provided that if at any time the average of the three (3) lowest Closing Bid Prices in the twenty (20) Trading Days immediately preceding any date of measurement is below $2.50, then in such event the then-current Conversion Factor shall be reduced to 65% for all future Conversions, subject to other reductions set forth in the Typenex Note. In the event the Company elects to prepay all or any portion of the Typenex Note, the Company is required to pay to Typenex an amount in cash equal to 125% multiplied by the sum of all principal, interest and any other amounts owing. The Typenex Note is secured by all of the assets of the Company and includes customary event of default provisions.

Typenex has agreed to restrict its ability to convert the Typenex Note and receive shares of common stock such that the number of shares of common stock held by them in the aggregate and their affiliates after such conversion or exercise does not exceed 4.99% of the then issued and outstanding shares of common stock. The Typenex Note is a debt obligation arising other than in the ordinary course of business, which constitutes a direct financial obligation of the Company. The Typenex Note also provides for penalties and rescission rights if we do not deliver shares of our common stock upon conversion within the required timeframes.

Additionally, the Company granted Typenex six warrants, corresponding to the delivery of six tranches of cash funds, to purchase shares of the Company's common stock, $0.001 par value (the "Common Stock"). The first warrant will entitle the holder to purchase a number of shares equal to $43,750 divided by the Market Price (defined as 70% of the average 3 lowest closing bid prices in the 20 days immediately preceding conversion), as such number may be adjusted from time to time pursuant to the terms of the Typenex Note, and the remaining warrants will entitle the holder to purchase a number of shares equal to $13,750 divided by the Market Price, as such number may be adjusted from time to time pursuant to the terms of the Typenex Note. Each warrant is not exercisable until each corresponding tranche is funded.

The Company first allocated between the Typenex Note and the warrants based upon their relative fair values. The estimated fair value of the warrants issued with the Typenex Note was $43,750. Next, the intrinsic value of the beneficial conversion feature was computed as the difference between the fair value of the common stock issuable upon conversion of the Typenex Note and the total price to convert based on the effective conversion price. The calculated intrinsic value was $66,667. As this amount resulted in a total debt discount that exceeds the loan proceeds, the amount recorded for the beneficial conversion feature was limited to $43,750. The resulting $87,500 discount to the Typenex Note is being accreted over the seventeen month term of the Typenex Note.

During the three months ended April 30, 2016, the Company recognized $44,910 of interest expense, including $41,861 of "add-Backs" to compensate Typenex for the deficit between the amount of the Typenex Note converted and the amount realized from the subsequent sale of the conversion shares, and $15,232 of accretion related to the debt discount. During the three months ended April 30, 2015, the Company recognized $15,063 of accretion related to the debt discount.

During the three months ended April 30, 2016, Typenex converted $15,371 of principal and interest into a total of 138,842,000 shares of common stock.

Vis Vires Group, Inc. Convertible Note

On June 8, 2015, Artec and Vis Vires Group (" **Vis Vires** ") entered into a Securities Purchase Agreement (the " **Vis Vires SPA** "), for the sale of an 8% convertible note in the principal amount of $69,000 of which Artec received $61,100 after payment of legal fees (the " **Vis Vires Note** "). The Vis Vires Note matured on March 10, 2016 and is currently in default. The Vis Vires Note interest rate increased to twenty-two percent (22%) upon maturity. The Vista Note is convertible into common stock, at Vis Vires's option, at 58% of the average of the lowest three (3) closing bid prices for our common stock during the ten (10) trading day period prior to conversion. In no event shall Vis Vires effect a conversion if such conversion results in Vis Vires beneficially owning in excess of 9.99% of the outstanding common stock of the Company. The Note and accrued interest may be prepaid from the date of issuance with the following penalties: (i) within 30 days - 110%; (ii) within 31 - 60 days - 115%; (iii) within 61 - 90 days - 120%; (iv) within 91 - 120 days - 125%; (v) within 121 - 150 days - 130%; and (vi) within 151 - 180 days - 135%. Upon the occurrence of a default as described in the Vis Vires Note, the Company shall pay an amount equal to the greater of (i) 150% of the then outstanding principal and interest, or (ii) the "parity value" of the Default Sum to be prepaid, where parity value means (a) the highest number of shares of common stock issuable upon conversion of or otherwise pursuant to such Default Sum in accordance with Article 1 of the Vis Vires Note, treating the trading day immediately preceding the Mandatory Prepayment Date as the "Conversion Date" for purposes of determining the lowest applicable conversion price.

The debt discount attributable to the fair value of the beneficial conversion feature amounted to $52,378 for the Vis Vires Note and was accreted over the term of the Vis Vires Note.

The Company is in default on the Vis Vires Note, with a principal balance totaling $69,893 as of April 30, 2016, due to there being an unpaid balance as of the date of maturity on March 10, 2016. As a result, the interest on the Vis Vires Note increased to 22%.

During the three months ended April 30, 2016, the Company recognized $27,129 of interest expense, including $24,593 related to the default penalty, and $7,402 of accretion related to the debt discount.

Search4.com, Inc. Convertible Note

On February 5, 2016, Artec issued to Search4.com a 12% convertible note (the " **Search4 Note** ") in the principal amount of $100,000 of which Artec received $100,000 of services fully earned on the date of issuance. The Search4 Note matures in 12 months on February 5, 2017. If the Search4 Note is not paid upon maturity, the interest rate shall increase to 16%. The Search4 Note is convertible into common stock, at Search4 's option, at 50% of the lowest bid bid price for our common stock during the 10 trading day period prior to conversion. In no event shall Search4 effect a conversion if such conversion results in Search4 beneficially owning in excess of 9.99%.

The debt discount attributable to the fair value of the beneficial conversion feature amounted to $100,000 for the Search4 Note and is being accreted over the term of the Search4 Note. The Company recognized $2,833 interest expense and $23,015 of debt discount accretion during the three months ended April 30, 2016.

T McNeil Advisors, LLC Convertible Note

On March 4, 2016, Artec isued to T McNeil Advisors, LLC (" **McNeil** ") a convertible promissory note (the " **McNeil Note** ") in the amount of $37,500 in exchange for advisory services. The McNeil Note accrues interest at 8%, matures on in one year on March 4, 2017 and is convertible into shares of common stock any time at a conversion price equal to 55% of the lowest trading price as quoted on a national exchange for the twenty prior trading days including the date on which the Notice of Conversion is received by Artec. In no event shall McNeil effect a conversion if such conversion results in McNeil beneficially owning in excess of 9.9% of the outstanding common stock of the Company. Accrued interest shall be paid in cash only. The McNeil Note may be prepaid with the following penalties: (i) if the McNeil Note is prepaid within 90 days of the issuance date, then 115% of the face amount plus any accrued interest; (ii) if the McNeil Note is prepaid within 91 -180 days of the issuance date, then 135% of the face amount plus any accrued interest. The Note may not be prepaid after the 180th day. Upon an event of default, the interest rate shall increase to 24%.

The debt discount attributable to the fair value of the beneficial conversion feature exceeded the face amount of the McNeil Note and was limited to $37,500, and is being accreted over the term of the McNeil Note.

During the three months ended April 30, 2016, the Company recognized $468 of interest expense and $5,856 of debt discount accretion related to the McNeil Note.

Timothy Honeycutt Convertible Note

In connection with the appointment of Timothy Honeycutt to the Board of Directors, the Company issued to Mr. Honeycutt a convertible promissory note dated April 29, 2016 in the original principal amount of $25,000 (the " **Honeycutt Note** "), maturing 3 years from the date of issuance, accruing interest at a rate of 12.0% per annum and convertible into shares of common stock of the Company at a 40.0% discount to the market price of those shares with the market price being equal to the closing price 10 days subsequent to the receipt by the Company of Mr. Honeycutt's Notice of Conversion. In no event shall Mr. Honeycutt effect a conversion if such conversion results in Mr. Honeycutt beneficially owning in excess of 4.99% of the outstanding common stock of the Company.

The debt discount attributable to the fair value of the beneficial conversion feature amounted to $16,667 for the Honeycutt Note and is being accreted over the term of the Honeycutt Note.

During the three months ended April 30, 2016, the Company recognized $0 of interest expense and $0 of debt discount accretion related to the Honeycutt Note.

NOTE 3 - TCA Global Credit Master Fund LP Financing Transactions

Following is a summary of our outstanding balances with respect to the financing agreements with TCA Global Credit Master Fund LP (" **TCA** ")as of April 30, 2016 and January 31, 2016:

			As of April 30, 2016		As of January 31, 2016	
	Note(s)		Current Balances		Current Balances	
Lender	**Issue Date**	**Maturity**	**Principal**	**Interest**	**Principal**	**Interest**
TCA Credit Facility $900k Note	12/24/2015	6/24/2016	$ 150,000	$ 16,452	$ 150,000	$ 4,132
TCA Credit Facility Fee Note 1	12/24/2015	6/24/2016	105,000	-	105,000	-
TCA Credit Facility Fee Note 2	12/24/2015	9/24/2016	105,000	-	105,000	-
TCA Credit Facility Fee Note 3	12/24/2015	12/24/2016	105,000	-	105,000	-
Totals			465,000	16,452	465,000	4,132
Debt discount balance			(42,056)	-	(111,988)	-
Balance sheet balance			$ 422,944	$ 16,452	$ 353,012	$ 4,132
TCA Debenture	12/24/2015	12/24/2016	$ 100,000	$ 6,450	$ 100,000	$ 1,950
TCA Fee Debenture 1	12/24/2015	6/24/2016	33,333	-	33,333	-
TCA Fee Debenture 2	12/24/2015	9/24/2016	33,333	-	33,333	-
TCA Fee Debenture 3	12/24/2015	12/24/2016	33,333	-	33,333	-
Totals			$ 200,000	$ 6,450	$ 200,000	$ 1,950
Debt discount balance			(16,460)	-	(22,711)	-
Balance sheet balance			$ 183,540	$ 6,450	$ 177,289	$ 1,950

Senior Secured Revolving Credit Facility Agreement

On December 24, 2015, the Company entered into a Senior Secured Revolving Credit Facility Agreement (the "Credit Facility") with TCA for a maximum of $10,000,000. The Credit Facility provides for TCA to make revolving loans to the Company from time to time, until the revolving loan maturity date and in amounts as TCA may determine up to the revolving loan availability. Revolving loans may be repaid and borrowed again up to the revolving loan maturity date unless the revolving loans are terminated or extended. The Company may request that the revolving loan commitment be increased up to $10,000,000 and TCA, in its sole discretion may make available revolving loan commitment increases. As security, the Company issued a continuing and unconditional first priority security interest in all property of the Company.

The Credit Facility provides for the weekly payment of the receipts collection fee, accrued and unpaid interest of all revolving loans and other charges and fees. The receipts collection fee is a surcharge charged to the Company on a monthly basis and, when added together with any monthly interest, shall not exceed 1.417% of the then outstanding principal balance of all loans, per month. The receipts collection fee, interest and other charges are due weekly. Any amount of principal or interest which is not paid when due, whether at stated maturity, by acceleration or otherwise, shall, at TCA's option, bear interest on demand at the default rate of 18%.

The Company is required to direct customers to make payments to a lock box account. Weekly, TCA shall sweep lock box account funds to their account and apply said funds to unpaid fees, accrued interest owed, receipts collection fees and towards building a reserve equal to 20% of the revolving loan commitment which currently stands at $900,000.

Pursuant to the Credit Facility, on December 24, 2015, the Company issued a Senior Secured Revolving Convertible Promissory Note (the "TCA Note") with face amount of $900,000. On December 28, 2015, TCA funded $150,000 of the TCA Note of which the Company received $26,095 net of a $45,000 commitment fee, $6,500 due diligence fee, $50,000 in legal fees, $1,500 asset monitoring fee, $7,500 finder's fee, $2,450 stamp tax, $3,495 escrow fee and $7,460 of miscellaneous filing fees. The TCA Note is due in six months on June 24, 2016 (the "TCA Note Maturity Date"), accrues interest at the rate of 12% per annum and is convertible into shares of common stock in the event of default at 85% of the lowest of the average daily volume weighted average price of the Company's common stock during the five trading days immediately prior to the conversion date. In no event shall TCA effect a conversion if such conversion results in TCA beneficially owning in excess of 4.99% of the outstanding common stock of the Company.

Conversion of the TCA Note and unpaid interest is subject to "make-whole rights" where if upon liquidation by TCA of conversion shares the amount received is less than the conversion amount specified in the relevant conversion notice, the Company shall issue to TCA additional shares of common stock equal to the conversion amount minus the realized amount. If upon sale of the additional shares, the total received by TCA is still less than the conversion amount specified in the relevant conversion notice, the Company shall issue additional shares until the conversion amount has been fully satisfied.

Upon each occurrence of a default or event of default, TCA shall have the right, but not the obligation, to 1) declare its commitments to the Company to be terminated and all obligations to be immediately due and payable; and 2) to cause the Company to pay TCA a penalty in cash in an amount equal to 10% of the amount of the obligations at the time of default. In the event a single default or event of default continues for a period of longer than 30 days, the 10% penalty shall be immediately applied upon expiration of each subsequent 30 day period and shall continue to be applied upon expiration of each subsequent 30 day period until such default is cured to the satisfaction of TCA, in its sole discretion.

In connection with the Credit Facility, the Company issued three convertible promissory notes (the "Fee Notes") each in the amount of $105,000 to TCA as consideration of investment banking and advisory services fully rendered. The Fee Notes mature on June 24, 2016, September 24, 2016 and December 24, 2016, respectively. The Fee Notes 1) bear zero interest unless in default which, then, at the TCAs option shall bear interest at the default rate of 18%; 2) are convertible into shares of common stock in the event of default at 85% of the lowest of the average daily volume weighted average price of the Company's common stock during the five trading days immediately prior to the conversion date. In no event shall TCA effect a conversion if such conversion results in TCA beneficially owning in excess of 4.99% of the outstanding common stock of the Company. As security, the Company issued a continuing and unconditional first priority security interest all property of the Company. Conversion of the Fee Notes and unpaid interest is subject to make-whole rights.

As additional consideration, the Company issued to TCA, 8,130,000 shares in three tranches of 2,710,000 each on December 24, 2015 valued at $9,000.

The debt discounts attributable to the fair value of the beneficial conversion feature contained in the TCA Note and Fee Notes and TCA incurred issuance costs amounted to $8,610 and $123,905, respectively, and are being accreted through the TCA Note Maturity Date and Fee Note maturity dates.

During the three months ended April 30, 2016, the Company recognized $12,320 of interest expense and $69,932 of debt discount accretion related to the TCA Note and Fee Notes.

Debenture and Fee Debentures

On December 24, 2015, the Company entered into a Securities Purchase Agreement with TCA for the sale of a secured, 18% senior, secured, convertible, redeemable debenture in the principal amount of $100,000. On December 28, 2015, the Company received $74,650 net of a $5,000 commitment fee, $15,000 in legal fees, $5,000 finder's fee and $350 stamp tax and issued a senior, secured, convertible, redeemable debenture (the "Debenture") in the amount of $100,000. The Debenture is due in twelve months on December 24, 2016 (the "Debenture Maturity Date"), accrues interest at the rate of 18% per annum and is convertible into shares of common stock in the event of default at 90% of the lowest of the average daily volume weighted average price of the Company's common stock during the five trading days immediately prior to the conversion date. In no event shall TCA effect a conversion if such conversion results in TCA beneficially owning in excess of 4.99% of the outstanding common stock of the Company. As security, the Company issued a continuing and unconditional first priority security interest in all property of the Company.

The Company may prepay the Debenture without penalty. The Company shall make monthly payments of interest which is calculated on the basis of a 360-day year and accrue daily. Late payments of principal, interest or other charges not received by TCA within five business days of the due date shall be subject to a 5% late fee of the unpaid amount. In the event of default as described in the Debenture, the interest rate shall increase to 22%.

Conversion of the Debenture and unpaid interest is subject to "make-whole rights" where if upon liquidation by TCA of conversion shares the amount received is less than the conversion amount specified in the relevant conversion notice, the Company shall issue to TCA additional shares of common stock equal to the conversion amount minus the realized amount. If upon sale of the additional shares, the total received by TCA is still less than the conversion amount specified in the relevant conversion notice, the Company shall issue additional shares until the conversion amount has been fully satisfied.

In connection with the Debenture, the Company issued three, Senior, Secured, Convertible, Redeemable Debentures (the "Fee Debentures") each in the amount of $33,333 to TCA as consideration of advisory services fully rendered. The Fee Debentures mature on June 24, 2016, September 24, 2016 and December 24, 2016, respectively. The Fee Debentures 1) bear zero interest unless in default which, then, at the TCAs option shall bear interest at the default rate of 22%; 2) are convertible into shares of common stock in the event of default at 90% of the lowest of the average daily volume weighted average price of the Company's common stock during the five trading days immediately prior to the conversion date. In no event shall TCA effect a conversion if such conversion results in TCA beneficially owning in excess of 4.99% of the outstanding common stock of the Company. As security, the Company issued a continuing and unconditional first priority security interest in all property of the Company. Conversion of the Fee Notes and unpaid interest is subject to make-whole rights.

The debt discounts attributable to the fair value of the beneficial conversion feature and TCA incurred issuance costs amounted to $0 and $25,350, respectively, and are being accreted through the Debenture Maturity Date.

During the three months ended April 30, 2016, the Company recognized $4,500 of interest expense and $6,251 of debt discount accretion related to the Debenture.

Committed Equity Facility Agreement

On December 24, 2015, the Company entered into a Committed Equity Facility Agreement (the "Equity Facility") with TCA whereby the Company shall issue and sell ("Advance") to TCA, from time to time, up to $5,000,000 of the Company's common stock. By delivering an Advance notice to TCA, the Company may request up to the Maximum Advance Amount defined as no more than 15% of the average daily volume of shares of common stock traded during the immediately preceding five consecutive trading days. In no event shall the number of shares issuable to TCA cause TCA's beneficial ownership to exceed 4.99% of the then outstanding common stock nor shall the number of shares issuable exceed the Exchange Cap. On each Advance notice date, the Company shall deliver to TCA's brokerage account a number of shares equal to the dollar amount of the Advance divided by the Market Price (defined as the lowest VWAP of the common stock on the applicable Advance notice date multiplied by 200%). If the Advance shares initially delivered to TCA are greater than the number of shares sold, then TCA shall deliver to the Company any excess Advance shares unless the parties agree to apply those shares to the next Advance.

Concurrently, with the Equity Facility, the Company entered into a Registration Rights Agreement of the same date for the resale of shares by TCA. The Registration Rights Agreement requires the Company to file with the SEC a registration statement on Form S-1 for a sufficient number of shares equal to at least three times the number of registerable securities under the Equity Facility no later than 45 days from December 24, 2015 with a declaration of effectiveness required no later than 90 days from December 24, 2015. In the event the registration statement is not declared effective by the SEC 120 days from December 24, 2015, the Company shall be obligated to pay TCA $500 per month until the registration is declared effective.

To date, the Company has not filed a registration statement on form S-1. Thus, the Company is currently ineligible to make Advance requests to TCA.

The TCA Note, Debenture, Credit Facility and Equity Facility were issued by the Company under the exemption from registration afforded by Section 4(a)(2) of the Securities Act, as amended and/or Regulation D promulgated thereunder, as the securities were issued to accredited investors, without a view to distribution, and were not issued through any general solicitation or advertisement.

NOTE 4 - Commitments and Contingencies

The Company entered into a lease for office space of 2,227 square feet at 926 Elkton Drive, Colorado Springs, CO 80907 under a third party non-cancelable operating lease from April 1, 2016 through March 31, 2018. Future minimum lease commitments as of April 30, 2016 are as follows:

Year Ending January 31		
2017	$	18,000
2018		26,000
2019		4,400
Thereafter		-
Total	$	48,400

NOTE 5 - Stockholder's Equity

Preferred Stock

On November 10, 2015, the Company amended its articles of incorporation to authorize 10,000,000 shares of preferred stock, par value $0.001. The authorized shares of preferred stock may be issued from time to time in one or more classes or series as determined by the board of directors. No preferred shares were outstanding as of April 30, 2016.

Common Stock

During the three months ended April 30, 2016, various convertible note holders converted, and the Company issued, $23,778 of principal and interest into 253,662,076 shares of common stock.

Liability for Potentially Dilutive Securities in Excess of Authorized Number of Common Shares

In accordance with ASC Topic 815, Derivatives and Hedging, the Company accounts for contracts for the issuance of common stock that are in excess of authorized shares as a liability that is recorded at fair value. This liability is required to be remeasured at each reporting period with any change in value to be included in other income and expense until such time as there is no longer an excess of the number of issued and potentially issuable securities over the number of authorized shares. This condition will change either because of an increase in the authorized number of shares or a reverse stock split as approved by shareholders or a reduction in the number of potentially issuable securities. At that time any existing liability will be eliminated.

On January 31, 2016, the combined total of the Company's issued shares and its potentially issuable shares exceeded the authorized number of shares by 1,343,294,271 potentially issuable shares. This excess arose because of the conversion feature of certain convertible debt that was triggered as of at date. At this initial measurement date, the fair value of the potentially issuable shares in excess of the authorized number of common shares was $402,988, which amount was recorded as a liability for reclassified equity contracts, with a corresponding charge to shareholders' equity.

On April 30, 2016, the combined total of the Company's issued shares and its potentially issuable shares exceeded the authorized number of shares by 5,706,204,473 potentially issuable shares. This excess arose because of the conversion feature of existing (as of January 31, 2016) debt responsible for 2,775,498,440 excess issuable shares and 2,930,706,033 excess issuable shares related to convertible notes issued during the three months ended April 30, 2016. At the initial measurement date of the newly issued notes, the fair value of the potentially issuable shares in excess of the authorized number of common shares was $1,465,353, which amount was recorded as a liability for reclassified equity contracts, with a corresponding charge of $218,599 to shareholders' equity and charge of $1,246,754 to other income and expense. This liability was recorded based on the valuation of the last contracts to contribute to the excess.

As of April 30, 2016, potentially issuable shares in excess of the authorized number of common shares related to existing (as of January 31, 2016) debt was responsible for 2,775,498,440 of the excess potentially issuable shares, the fair value of which was measured at approximately $1,387,749. The adjustment to the liability for reclassified equity contracts at April 30, 2016 resulted in a charge to other income and expense of $984,761 for the quarter then ended. The expense has been recorded as change in fair value of common stock liability.

NOTE 6 - Related Party Transactions

A related party is generally defined as (i) any person who holds 10% or more of the Company's securities and their immediate families, (ii) the Company's management, (iii) someone who directly or indirectly controls, is controlled by or is under common control with the Company, or (iv) anyone who can significantly influence the financial and operating decisions of the Company. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

From time to time, Mr. Wickman, CEO, advances non-interest bearing funds to the Company for general operating use. During the three months ended April 30, 2016 and 2015, Mr. Wickman advanced $0 and $6,000, respectively, and was repaid $0 and $4,500, respectively

All related party transactions are recorded at the exchange amount established and agreed to between related parties and are in the normal course of business.

NOTE 7 – Net Income (Loss) Per Share

The computation of basic earnings per share ("EPS") is based on the weighted average number of shares that were outstanding during the period, including shares of common stock that are issuable at the end of the reporting period . The computation of diluted EPS is based on the number of basic weighted-average shares outstanding plus the number of common shares that would be issued assuming the exercise of all potentially dilutive common shares outstanding using the treasury stock method. The computation of diluted net income per share does not assume conversion, exercise or contingent issuance of securities that would have an antidilutive effect on earnings per share. Therefore, when calculating EPS if the Company experienced a loss, there is no inclusion of dilutive securities as their inclusion in the EPS calculation is antidilutive. Furthermore, options and warrants will have a dilutive effect under the treasury stock method only when the average market price of the common stock during the period exceeds the exercise price of the options or warrants (they are in the money).

Following is the computation of basic and diluted net loss per share for the three months ended April 30, 2016 and 2015:

	Three Months Ended April 30,	
	2016	**2015**
Basic and Diluted EPS Computation		
Numerator:		
Loss available to common stockholders'	$ (2,732,409)	$ (188,054)
Denominator:		
Weighted average number of common shares outstanding	636,870,252	9,281,159
Basic and diluted EPS	$ (0.00)	$ (0.02)

Potentially dilutive securities not included in the calculation of diluted net loss per share attributable to common stockholders because to do so would be anti-dilutive are as follows (in common stock equivalent shares):

Convertible promissory notes	5,131,986,950	305,432
Warrants	625,000,000	35,425

NOTE 8 - Subsequent Events

Management has reviewed material events subsequent to the quarterly period ended April 30, 2016 and prior to the filing of financial statements in accordance with FASB ASC 855 "Subsequent Events".

On May 3, 2016, Artec and Cerberus Finance Group, LTD. ("Cerberus") entered into a Securities Purchase Agreement (the "Cerberus SPA"). Under the Cerberus SPA, Cerberus will provide $70,000 in two equal payments of $35,000 with the first funded on May 3, 2016 and the remaining amount to be funded as agreed by the parties at a later date. On May 12, 2016 Artec received $23,000 net of $12,000 ($2,000 legal fees and $10,000 to financial advisor) and issued a convertible promissory note (the "Cerberus Note") in the amount of $35,000. The Cerberus Note matures in one year, accrues interest of 8% and is convertible into shares of common stock any time at a conversion price equal to 55% of the lowest trading price as quoted on a national exchange for twenty prior trading days including the date on which the Notice of Conversion is received by Artec. In no event shall Cerberus effect a conversion if such conversion results in Cerberus beneficially owning in excess of 9.9% of the outstanding common stock of the Company. Interest shall be paid in cash. The Note may not be prepaid.

On May 4, 2016 Artec received $71,250 net of $7,500 ($3,750 legal fees and $3,750 OID) and issued LG Note 4 in the amount of $78,750. LG Note 4 matures in one year, accrues interest of 8% and is convertible into shares of common stock any time at a conversion price equal to 55% of the lowest trading price as quoted on a national exchange for twenty prior trading days including the date on which the Notice of Conversion is received by Artec. In no event shall LG Capital effect a conversion if such conversion results in LG Capital beneficially owning in excess of 9.9% of the outstanding common stock of the Company. Interest shall be paid in cash. The Note may not be prepaid.

On May 18, 2016, the Company's Board of Directors authorized the creation of 100,000 shares of Preferred Stock, par value $0.001 per share, designated as "Series A Convertible Preferred Stock", The Series A Convertible Preferred Stock votes together with the Company's common stock as follows: for each share of Series A Convertible Preferred Stock held by a holder of Series A Convertible Preferred Stock, such holder shall be entitled to the number of votes as such holder would have if such holder were holding one million (1,000,000) shares of Common Stock. Each share of Series A Convertible Preferred Stock shall be convertible initially into five hundred thousand (500,000) shares of Common Stock, which amount of shares is subject to certain adjustments set forth in the Certificate of Designation. Notwithstanding the foregoing, no shares of Series A Convertible Preferred Stock may be converted into Common Stock before May 1, 2018, except (i) in the event of liquidation, dissolution or winding up of the Corporation, whether voluntary or involuntary, or (ii) in the event of a merger or acquisition of the Corporation.

On May 18, 2016, the Board approved the issuance of 600 fully paid and non-assessable shares of Series A Convertible Preferred Stock to Caleb W. Wickman and 300 fully paid and non-assessable shares of Series A Convertible Preferred Stock to A. Stone Douglass as compensation.

On May 19, 2016, the Board and shareholders holding a majority of the issued and outstanding voting shares approved an increase in the Company's authorized capital stock from 750 million shares of common stock, par value $0.001 per share, to 10 billion shares of common stock, par value $0.001 per share subject to approval by the Financial Industry Regulatory Authority (" **FINRA** ").

I tem 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Statements

This Report on Form 10-Q contains forward-looking statements which involve assumptions and describe our future plans, strategies, and expectations, and are generally identifiable by use of words such as "may," "will," "should," "expect," "anticipate," "estimate," "believe," "intend," or "project," or the negative of these words or other variations on these words or comparable terminology. These statements are expressed in good faith and based upon a reasonable basis when made, but there can be no assurance that these expectations will be achieved or accomplished.

Such forward-looking statements include statements regarding, among other things, (a) the potential markets for our products, our potential profitability, and cash flows (b) our growth strategies (c) our future financing plans and (d) our anticipated needs for working capital. This information may involve known and unknown risks, uncertainties, and other factors that may cause our actual results, performance, or achievements to be materially different from the future results, performance, or achievements expressed or implied by any forward-looking statements. These statements may be found at various places throughout this report including, but not limited to the discussions under "Management's Discussion and Analysis of Financial Condition and Results of Operations" and "Business." Actual events or results may differ materially from those discussed in forward-looking statements as a result of various factors, including, without limitation, the matters described in this Form 10-K generally. In light of these risks and uncertainties, there can be no assurance that the forward-looking statements contained in this filing will in fact occur. In addition to the information expressly required to be included in this filing, we will provide such further material information, if any, as may be necessary to make the required statements, in light of the circumstances under which they are made, not misleading.

Although forward-looking statements in this report reflect the good faith judgment of our management, forward-looking statements are inherently subject to known and unknown risks, business, economic and other risks and factors that may cause actual results to be materially different from those discussed in these forward-looking statements. Many of those factors are outside of our control and could cause actual results to differ materially from the results expressed or implied by those forward-looking statements. Accordingly, you are urged not to place undue reliance on these forward-looking statements, which speak only as of the date of this report.

We assume no obligation to update any forward-looking statements in order to reflect any event or circumstance that may arise after the date of this report, other than as may be required by applicable law or regulation.

Overview

We offer a comprehensive suite of online marketing and reporting solutions, including lead generation (prospect email, performance display, mobile marketing); performance media (PPC, SEO, social media, retargeting); and affiliate marketing, as well as other related web services and consultation. We plan to generate revenue by delivering measurable marketing results to clients.

Online lead generation is typically generated as clicks from websites or email. Our goal is to engage Internet visitors with targeted media and to connect our marketing clients with their potential clients on line.

We use world-class technology solutions to create advertising campaigns for clients to target potential customers, optimize those campaigns in real time and track tangible results. Through a single advertising budget, we enable our clients to reach customers - whether using traditional computing devices or mobile devices - across the Internet, including through all of the major search engines and leading general interest and vertically focused online publishers.

Our retargeting and display marketing solutions target consumers that have recently search for a client's business keywords as well as those who have recently visited their website. We continue to expand our platform to include additional advertising products designed specifically for the needs of our clients. Our website solutions are designed to help client turn more of their website visitors into leads, manage those leads more effectively and convert more of them into customers.

We focus on serving clients in large, information-intensive industry verticals where relevant, targeted media and offerings help visitors make informed choices, find the products that match their needs, and thus become qualified customer prospects for our clients.

Products/Services

We combine advanced, publisher-agnostic technology and an experienced, digitally sophisticated direct sales force to provide clients with a single, easy to use and cost-effective solution to acquire, maintain and retain customers using digital and traditional media.

Artec owns or accesses targeted databases and utilizes proprietary technology to create local, regional and national marketing campaigns on demand providing clients with the ability to acquire new customers. We run advertisements or other forms of marketing messages and programs through multiple channels (i.e. Email, Direct Mail, Social Media, SMS, radio and telecommunication) to create responders for client offerings. We optimize client matches and media yield such that we achieve desired results for clients and a sound financial outcome for Artec.

We deliver cost-effective marketing results to our clients, predictable and scalable, most typically in the form of a qualified lead, click or call. These leads, clicks or calls can then convert into a customer or sale for the client at rates that result in an acceptable marketing cost to them. We get paid by clients primarily when we deliver qualified results as defined in our agreements. Typically, leads are routed through a call center or other offline acquisition process. Online leads are usually generated as clicks from websites. Our marketing services include but are not limited to:

- Affiliate and performance marketing,
- Search advertising,
- Display advertising,
- Telecommunications
- Retargeting,
- Email marketing,
- Lead generation,
- Creative design, and
- Consulting services.

For advertisers our platform allows us to connect clients to multiple online publishers. For publishers our platform provides access to a significant advertiser base to gain access to a broader range of advertising inventory. The combination of these end-to-end online marketing capabilities enables us to offer clients the simplicity of a single advertising budget that meets their marketing objectives.

Our search product is focused on assuring that our clients' advertisements appear prominently among the search results when local consumers enter certain keywords on leading local search sites such as Google, Yahoo! and Bing and social networks such as Facebook and LinkedIn.

Our display product is primarily focused on maximizing the exposure for clients that want to broadcast a message to a specific target online audience.

Our remarketing and search retargeting products allow us to target consumers who have previously visited a specific client's website, either through a search marketing campaign or a display marketing campaign, or who have previously searched for a client's keywords. When the potential customer visits any other site within our remarketing network, we can remarket to the target customer on behalf of that client.

Our lead conversion helps clients manage their leads and convert more of them into customers.

Our capabilities:

- Software-based solution that provides back-end automation and optimization technologies to manage advertising spend across a broad array of online publishers and media outlets;
- For advertisers interested in search engine marketing, automation of build-up of keyword search criteria for the leading search engines;
- Seting and optimization of bids for keywords based on client products and services;
- Placement of display advertisements on websites selected in accorance with custom profiles;
- Integration with leading social media sites;
- Proprietary algorithms multiple times a day to evaluate each publisher and keyword, dynamic shifting of spend to continuously optimize and improve campagin performance;
- Proprietary reverse proxy technology that automatically tracks campaign-generated activity; and
- Access to multiple publishers and advertisers.

Consulting

We work with clients on a consultative basis to help them achieve their marketing objectives, educating and guiding them through the opportunities arising from and the mechanics of online advertising. Our consulting services provide clients access to technology and media that they could not access by themselves and proven in ways they understand.

Scale and Experience

Our scale and experience in purchasing online advertising from publishers allows us to make more efficient and effective purchasing decisions on behalf of our clients. In addition, our platform enables us to connect our clients to a wide array of online publishers. Our platform not only allows us to expand the reach of our publisher network, but also allows us quickly to test and identify better performing advertising options for our clients.

Client Relationships

As new online advertising opportunities emerge, such as mobile, video and social media, we believe that having a direct client relationship will enable us to offer additional products and services to our clients.

Technology

Running thousands of online advertising campaigns simultaneously across multiple publishers poses significant technical challenges. While technologies exist to help larger companies manage and optimize their online marketing spend, we believe that such solutions are too expensive and too complex to scale down to many of our clients' monthly advertising budget. We have built our services, systems and networks for maximum scalability and flexibility to manage these types of campaigns, and we have invested heavily in automation technologies that reduce the level of human intervention required to support these campaigns. This automation is critical to our ability to scale our business and deliver moderately budgeted campaigns in a cost-effective manner.

Strategy

We generate revenue by providing marketing and advertising solutions for our clients through direct sales and our online marketing platform. We sell our marketing products based on a consultative approach to discover customer needs and build pricing and packages which provide a positive return on their investment. While we do not commit to a specific set of results, we work with our clients to meet their marketing objectives. Clients primarily pay us for leads that they can convert into customers. Typically, leads are routed through a call center or other offline customer acquisition process. Online leads are usually generated as clicks from websites or email. In brief, Artec helps clients communicate their message to potential new customers by delivering compelling offers through the use of proprietary products, media channels and distribution platforms.

We believe that we are in the early stages of a large and long-term business opportunity presented by the shift from traditional media formats to digital media formats. Our strategy for pursuing this opportunity includes the following key components:

- *Expand Media Offerings.* We have developed a platform that enables us more easily to connect our client advertisers to a broader array of online publishers and, in the future, to reach customers through new formats such as mobile and video. Our plan has been, and continues to be, to fulfill, track and optimize a client's entire digital media plan, regardless of media property or format.

- *Develop Digital Marketing Software Solutions.* Our current products target our clients' needs to acquire customers through online media buying. We believe that there will be continued movement towards digital platforms in the other segments of our clients' marketing activities, such as marketing automation, lead conversion and customer relationship management. To address these and other needs, we plan to continue investing in the internal development or potential acquisition of products and services in these adjacent segments.

Affiliate and Performance Marketing Key Trends and Drivers

- One of the most effective ways to enter new markets (pay-for-performance model represents low risk and low overhead while also providing access to local marketing experts without having to bring on full-time staff),
- Growth of mobile,
- With the rise in multi-channel retailing, expect a tighter integration of marketing channels. Performance marketing, for example, will be more closely aligned with retargeting and display,
- Big data solutions that include affiliate program data will enable more targeted, timely ads and offers to be delivered at the right audience at the right time on the right device.
- Aligned with the way that consumers shop and behave,
- It's a proven acquisition channel for new customers and provides a low risk opportunity to try new ideas, and
- Deal-driven consumers turn to affiliate sites first and frequently, because they believe offers from affiliate sites are better than those presented on a retailer's

We differentiate ourselves by utilizing our marketing platform to attract large multi-location organizations. These organizations have seen dramatic cuts to their marketing departments over the last few years forcing them to work more with less. We help centralize and streamline marketing initiatives for these large decentralized organizations allowing them, in many cases for the first time in years, to stop playing defense and become offensive in the management and implementation of their marketing efforts. In essence, we allow independent field offices, franchise owners, sales agents to have access to easy to utilize fortune 500 type marketing services at their disposal 24/7. We have proven our services lower client acquisition costs, increase the overall spend of client initiatives, creating more loyal and profitable clients.

Our Market

Digital ad spending is a $67 billion annual industry in the U.S. Our content marketing services are focused on driving traffic to client website destinations in key markets, including small business lending, consumer debt relief and student lending.

Small Business Lending

Small businesses are the backbone of the U.S. economy, accounting for more than 99% of employer firms in the United States. [1] Total value of small business loans in 2013 was $585.3 billion.

Value of Small Business Loans Outstanding (CRE and C&I), 2008-2013
(billions of dollars, nominal)

Loan Type and Size at Origination	2008	2009	2010	2011	2012	2013
Commercial Real Estate						
Less than $100,000	28.5	26.4	22.1	19.8	18	16.8
$100,000 to $250,000	68.6	67.1	59.6	56.4	53.1	50.5
$250,000 to $1 million	277.9	278.4	260.5	247.8	236.7	229.3
Total Small Commercial Real Estate	375	372	342.3	323.9	307.8	296.6
Commercial and Industrial						
Less than $100,000	141.7	134.5	137.2	119.8	120.2	124.1
$100,000 to $250,000	57.3	55.1	51.2	47.3	46.3	47.3
$250,000 to $1 million	137.4	133.6	121.6	116	113.5	117.3
Total Small Commercial and Industrial	336.4	323.2	309.9	283	280.1	288.7
Total Small Business Loans ($1 million or less)	711.5	695.2	652.2	606.9	587.7	585.3

Source :FDIC, Statistics on Depository Institutions, June 2008 through June 2013.

Small business lending below $100,000 is ranged from $119 to $141 billion over the 2008-2013 time frame. Key limiting factors on the supply side include caution amongst lenders about extending debt, in addition to increased scrutiny by regulators over the performance of existing outstanding loans. Increased bank capital requirements along with tightening lending standards and policies have reduced the amount available for borrowing and reduced the pool of small business owners deemed creditworthy.

We provide alternative lending providers with lead generation and affiliate marketing services designed to drive small businesses in need of lending solutions to our customers' websites.

[1] Victoria Williams. "Small Business Lending in the United States 2013". Office of Advocacy U.S. Small Business Administration, December 2014.

Debt Settlement

Debt collection is a $13.7 billion dollar industry that employs more than 130,000 people across approximately 6,000 collection agencies, impacting millions of Americans each year. [2] The Urban Institute reports that 35% of Americans, more than 77 million people, had a trade line on their credit reports indicating some type of debt in collections – including financial, healthcare, retail and telecom debt. [3]

This dynamic continues to drive growth amongst debt settlement providers offering products and services designed to provide consumers ways to reduce their debt and payment obligations.

We provide debt settlement providers with lead generation and affiliate marketing services designed to drive online consumer traffic to our customers' websites.

Student Debt

Between 2000 and 2014, the total volume of outstanding federal student debt nearly quadrupled to surpass $1.1 trillion, the number of student loan borrowers more than doubled to 42 million, and default rates among recent student loan borrowers rose to their highest levels in twenty years. [4] In 2010, student debt surpassed credit cards to become the second largest form of household debt after mortgages, whereas, prior to 2008, the student debt was the smallest of household debts. [5]

We work with third party lending partners to design lead generation solutions targeted to consumers burdened with student debt seeking to offer repayment alternatives.

Content Marketing – Lead Generation and Affiliate

A recent Content Marketing Institute B2B Content Marketing benchmark report showed the following key trends:

- Only 30% of B2B marketers say their organizations are effective at content marketing, down 38% from 2015;
- 44% of B2B marketers say their organization is clear on what content marketing success or effectiveness looks like; 55% are unclear or unsure;
- Lead generation (85%) and sales (84%) will be the most important goals for B2B content marketers over the next 12 months; and
- Over the last six years, B2B marketers have consistently cited website traffic as their most often used metric. The most important metrics are sales lead quality (87%), sales (84%), and higher conversion rates (82%).

U.S. Digital Ad Spending, by Format 2014-2019
Billions

	2014	2015	2016	2017	2018	2019
Search	23.44	26.53	29.24	32.32	36.41	40.6
Display	21.07	26.15	32.17	37.2	41.87	46.69
* Banners and other	10.53	11.57	13.39	14.74	16.17	17.68
* Video	5.24	7.46	9.59	11.43	13.05	14.77
* Rich Media	3.71	5.44	7.42	9.17	10.69	12.19
* Sponsorships	1.58	1.68	1.77	1.86	1.96	2.06
Classifieds and directories	2.82	2.94	3.07	3.2	3.33	3.47
Lead Generation	1.88	1.97	2.06	2.15	2.25	2.35
Email	0.25	0.26	0.29	0.31	0.33	0.35
Mobile messaging	0.24	0.26	0.27	0.26	0.24	0.23
Total	49.69	58.12	67.09	75.44	84.44	93.7

Source: eMarketer, Sep 2015

[2] Fair Debt Collection Practices Act, CFPB Annual Report 2016.

[3] Caroline Ratcliffe et. al. "Delinquent Debt in America." Urban Institute, July 2014.

[4] Adam Looney et. al. "A Crisis in Student Loans? How Changes in the Characteristics of Borrowers and in the Institutions They Attended Contributed to Rising Loan Defaults." Brookings Papers on Economic Activity. September 10-11, 2015.

[5] Meta Brown et. al. "Measuring Student Debt and Its Performance." Federal Reserve Bank of New York Staff Reports. April 2014.

Competitive Landscape

The market for online advertising solutions is intensely competitive and rapidly changing, and with the introduction of new technologies and market entrants, we expect competition to intensify in the future. Many of our current and potential competitors enjoy substantial competitive advantages, such as greater name recognition, longer operating histories and larger marketing budgets, as well as substantially greater financial, technical and other resources. In addition, many of our current and potential competitors have established marketing relationships and access to larger customer bases.

Our competitors include:

- *Internet Marketing Providers.* We compete with large Internet marketing providers such as Google, Yahoo! and Microsoft. These providers typically offer their products and services through disparate, online-only, self-service platforms. We compete with these companies on the basis of our product offerings and our publisher-agnostic services to our clients. Although we compete against the self-service offerings of these large providers, we also have business relationships with them. We also believe that we provide a valuable service to these companies by connecting them to a large number of clients, which are generally disinclined to purchase online advertising via self-service platforms

- *Traditional, Offline Media Companies.* We compete with traditional yellow page and newspaper companies with large, direct sales forces. While these traditional media companies have made investments to address the migration of advertising expenditures away from their existing print products, we believe that they face the prospect of cannibalizing their existing higher margin products that they own and the challenge of re-training and restructuring their sales forces, most of whom have only sold print products and many of whom still receive the majority of their income from selling those products. We compete with these companies on the basis of the strength and breadth of our technology platform and product offering and our focus exclusively on Internet advertising.

Intellectual Property

We have developed a few different very important software/applications, which we consider to be proprietary including a custom gateway that runs real-time analytics and tracking on all campaigns powered by our resources. This software helps us manage and mitigate exposure to fraud, while enabling us to purchase media more intelligently, with better control over our advertiser's budget in order to maximize campaign efficiency and effectiveness. In addition, we have developed Email Service Provider ("ESP") and Message Transfer Agent ("MTA") software, which allows clients to log in and manage their own mailings directly. We have also developed dialer/phone systems to maximize efficiency with respect to telecommunication client management.

Results of Operations

We are a start-up company. We did not begin meaningful operations until our first quarter of 2014. As of April 30, 2016, we had total assets of $20,119 and total liabilities of $3,819,101. Since our inception to April 30, 2016, we have accumulated a deficit of $5,235,590. We anticipate that we will continue to incur losses for the foreseeable future. Our financial statements have been prepared assuming that we will continue as a going concern. We expect we will require additional capital to meet our long term operating requirements. We expect to raise additional capital through, among other things, the sale of equity or debt securities.

Three Months Ended April 30, 2016 Compared with the Three Months Ended April 30, 2015

Revenue

Revenue is generated from advertising and marketing services whereby the Company markets other companies' products through our online portal http://artecglobalmedia.com and other 3rd party portals. The Company also generates revenue through the sale and distribution of data used internally and by distributing the data to other companies for their own targeted marketing activities. During the three months ended April 30, 2016, the Company recognized $217,622 of revenue compared to $136,253 during the three months ended April 30, 2015. The increase is due to the Company gaining traction with existing and new clients and expanding into new verticals, including student loans, Small Business Lending, Debt consolidation, Credit Repair Services, Dating Services and Data Sales. We have significantly increased our live web calls and forms that we sell to clients, in these verticals. Along with increasing our lead sales we have also decreased our costs to generate the leads using our own internal marketing resources, rather than having to buy as much from other providers.

Operating Expenses

Data, media and processing costs

Data, media and processing costs increased $25,748 to $170,367, and 78.3% of revenue during the three months ended April 30, 2016 compared to $144,619, and 106.1% of revenue during the three months ended April 30, 2015. Data, media and processing costs increased commensurate with the increase in revenue, but decreased as a percentage of revenue due to the Company achieving certain economies of scale.

Sales and marketing expenses

Sales and marketing expenses increased $1,149 to $25,907, and 11.9% of revenue during the three months ended April 30, 2016 compared to $24,758, and 18.2% of revenue during the three months ended April 30, 2015. Sales and marketing costs as a percent of revenue decreased 6.3% compared to the same period in the prior year due to the Company redirecting its focus towards less costly forms of marketing.

General and administrative expenses

General and administrative expenses include costs related to personnel, professional fees, travel, public company costs, insurance and other office related costs. Operating costs increased by $166,162 to $269,652 and 123.9% of revenue during the three months ended April 30, 2016 compared to $103,490 and 76.0% of revenue during the three months ended April 30, 2015. The increase in operating costs is due primarily to a $159,401 increase in consulting related fees and $8,250 increase in personnel costs offset by a $1,489 decrease in general administrative costs.

Other Income (Expense)

During the three months ended April 30, 2016 and 2015, the Company incurred $97,955 and $6,917, respectively of interest penalties and fees related to the stated interest and convertible promissory note default adjustments related to our outstanding convertible promissory notes; $154,635 and $44,523, respectively of amortization related to the debt discount recorded on our convertible promissory notes. Also, during the three months ended April 30, 2016, the Company recorded $2,231,515 of other expense related to the change in shares issuable in excess of authorized common shares as of April 30, 2016.

Liquidity and Capital Resources

Our principal source of liquidity is cash in the bank. As of April 30, 2016 our current assets were $17,619. Due to the "start-up" nature of our business, we expect to incur losses as we develop and introduce our products and services. These conditions raise doubt about our ability to continue as a going concern. Management recognizes that in order for us to meet our capital requirements, and continue to operate, additional financing will be necessary. We expect to raise additional funds through private or public equity investment in order to expand the range and scope of business operations. We will try to raise additional funds through private or public equity but there is no assurance that such additional funds will be available for us to finance our operations on acceptable terms, if at all. If we are unable to raise additional capital or generate positive cash flow, it is unlikely that we will be able to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

For the three months ended April 30, 2016, net cash flows used in operating activities was $73,490, compared to $149,413 for the three months ended April 30, 2015.

For the three months ended April 30, 2016, we generated cash flows from financing activities of $71,250 from the issuance of a convertible promissory note compared to $96,500 for the three months ended April 30, 2015 from the sale of common stock and issuance of a convertible promissory note and advances from shareholders, net of repayments.

Plan of Operation and Funding

Our cash reserves are not sufficient to meet our obligations for the next twelve month period. As a result, we are seeking additional funding from the sale of shares of our common stock. We may also seek to obtain short-term loans from our directors or unrelated parties, although no such arrangements have been made. Our ability to continue operations will be dependent upon the successful completion of additional financing and, ultimately, the achievement of profitable operations. There can be no assurances that we will be successful, which would in turn significantly affect our ability to be successful in our business plan. If not, we will likely be required to reduce operations. We will continue to evaluate our projected expenditures relative to our available cash and to seek additional means of financing in order to satisfy our working capital and other cash requirements.

Off-Balance Sheet Arrangements

We have no off-balance sheet arrangements.

Critical Accounting Estimates

The preparation of financial statements and related disclosures in conformity with accounting principles generally accepted in the United States requires us to make judgments, assumptions and estimates that have a significant impact on the results that we report in our financial statements. Some of our accounting policies require us to make difficult and subjective judgments, often as a result of the need to make estimates regarding matters that are inherently uncertain. Certain of these significant accounting policies require us to make critical accounting estimates, as defined below.

A critical accounting estimate is defined as one that is both material to the presentation of our financial statements and requires management to make difficult, subjective or complex judgments that could have a material effect on our financial condition and results of operations. Specifically, critical accounting estimates have the following attributes:

- we are required to make assumptions about matters that are highly uncertain at the time of the estimate; and
- different estimates we could reasonably have used, or changes in the estimate that are reasonably likely to occur, would have a material effect on our financial condition or results of operations.

Estimates and assumptions about future events and their effects cannot be determined with certainty. We base our estimates on historical experience and on various other assumptions believed to be applicable and reasonable under the circumstances. These estimates may change as new events occur, as additional information is obtained and as our operating environment changes. These changes have historically been minor and have been included in the financial statements as soon as they became known. Based on a critical assessment of our accounting policies and the underlying judgments and uncertainties affecting the application of those policies, management believes that our financial statements are fairly stated in accordance with accounting principles generally accepted in the United States, and present a meaningful presentation of our financial condition and results of operations.

Our most critical accounting estimates include:

- the recognition and measurement of current and deferred income taxes, which impact our provision for taxes.
- Fair value measurements

Below, we discuss this policy further, as well as the estimates and judgments involved.

Income Taxes

Provisions for income taxes are based on taxes payable or refundable for the current period and deferred taxes on temporary differences between the amount of taxable income and pretax financial income and between the tax bases of assets and liabilities and their reported amounts in the financial statements. Deferred tax assets and liabilities are included in the financial statements at currently enacted income tax rates applicable to the period in which the deferred tax assets and liabilities are expected to be realized or settled.

When accounting for Uncertainty in Income Taxes, first, the tax position is evaluated to determine the likelihood that it will be sustained upon external examination. If the tax position is deemed "more-likely-than-not" to be sustained, the tax position is then assessed to determine the amount of benefit to recognize in the financial statements. The amount of the benefit that may be recognized is the largest amount that has a greater than 50 percent likelihood of being realized upon ultimate settlement. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. The Company's utilization of U.S. Federal net operating losses will be limited in accordance to Section 381 rules. As changes in tax laws or rates are enacted, deferred tax assets and liabilities are adjusted through the provision for income taxes. Valuation allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized.

Fair Value Measurements

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. In determining fair value, the Company uses various methods including market, income and cost approaches. Based on these approaches, the Company often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques the Company is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 — Quoted prices for identical assets and liabilities traded in active exchange markets, such as the national stock exchanges.

Level 2 — Observable inputs other than Level 1 including quoted prices for similar assets or liabilities, quoted prices in less active markets, or other observable inputs that can be corroborated by observable market data. Level 2 also includes derivative contracts whose value is determined using a pricing model with observable market inputs or can be derived principally from or corroborated by observable market data.

Level 3 — Unobservable inputs supported by little or no market activity for financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation; also includes observable inputs for nonbinding single dealer quotes not corroborated by observable market data.

The Company has various processes and controls in place to ensure that fair value is reasonably estimated. Where market information is not available to support internal valuations, independent reviews of the valuations are performed and any material exposures are evaluated.

Many of our financial instruments are issued in conjunction with the issuance of debt. At the time of issuance we allocate the proceeds received to the various financial instruments and this involves the determination of fair value. From time to time, the fair value of these financial instruments exceeds the proceeds received. When this occurs, we critically evaluate the validity of the fair value computation.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

At the end of the period covered by this quarterly report, the Chief Executive and Chief Financial Officer of the Company (the "Certifying Officer") conducted an evaluation of the Company's disclosure controls and procedures. As defined under Sections 240.13a-15(e) and 240.15d-15(e) of the Securities Exchange Act of 1934, as amended (the " **Exchange Act** "), the term "disclosure controls and procedures" means controls and other procedures of an issuer that are designed to ensure that information required to be disclosed by the issuer in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the Commission's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including the Certifying Officer, to allow timely decisions regarding required disclosure.

Based on this evaluation, the Certifying Officer has concluded that the Company's disclosure controls and procedures were not effective, for the quarter covered by this report, to ensure that material information is recorded, processed, summarized and reported by management of the Company on a timely basis in order to comply with the Company's disclosure obligations under the Exchange Act, and the rules and regulations promulgated there under.

The ineffectiveness of our controls over financial reporting is due to lack of segregation of duties and lack of in-house US GAAP expertise. Management has found it necessary to limit the Company's administrative staffing in order to conserve cash, until the Company's level of business activity increases. As a result, there is limited segregation of duties amongst the employees. Additionally, our current accounting personnel perform adequately in the basic accounting and recordkeeping function. However, our operations and business practices include complex technical accounting issues that are outside basic routine functions. These technical accounting issues are complex and require significant expertise to ensure that the accounting and reporting are accurate and in accordance with generally accepted accounting principles.

The Company and its independent public accounting firm have identified these as material weaknesses in the Company's internal controls. The Company intends to remedy these material weaknesses by hiring additional employees and reallocating duties, including responsibilities for financial reporting, among the employees as soon as there are sufficient resources available. However, until such time, these material weaknesses will continue to exist.

Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the period covered by this report that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

All funds received from the sale of our securities were used for working capital purposes. All shares bear a legend restricting their disposition. The foregoing securities may not be offered or sold in the United States unless registered under the Act, or pursuant to an exemption from registration.

The securities were issued in reliance upon an exemption from registration pursuant to Section 4(2) of the Securities Act of 1933, as amended (the " **Securities Act** "). Each investor took his securities for investment purposes without a view to distribution and had access to information concerning us and our business prospects, as required by the Securities Act. In addition, there was no general solicitation or advertising for the purchase of our shares. Our securities were sold only to an accredited investor and a limited number of sophisticated investors, as defined in the Securities Act with whom we had a direct personal preexisting relationship, and after a thorough discussion. Finally, our stock transfer agent has been instructed not to transfer any of such shares, unless such shares are registered for resale or there is an exemption with respect to their transfer.

Each purchaser was provided with access to our filings with the United States Securities and Exchange Commission (the " **SEC** "), including the following:

- Our annual report to stockholders for the most recent fiscal year, the definitive proxy statement filed in connection with that annual report, and, if requested by the purchaser in writing, a copy of our most recent Form 10-K under the Exchange Act of 1934, as amended (the "Exchange Act").
- The information contained in an annual report on Form 10-K under the Exchange Act.
- The information contained in any reports or documents required to be filed by Artec Global Media, Inc. under sections 13(a), 14(a), 14(c), and 15(d) of the Exchange Act since the distribution or filing of the reports specified above.
- A brief description of the securities being offered, the use of the proceeds from the offering, and any material changes in our affairs that are not disclosed in the documents furnished.

During the three months ended April 30, 2016, we entered into the following securities related transactions:

1. On February 5, 2016, the Company issued a convertible promissory note to Search4.com, Inc. in the face amount of $100,000 in exchange for services [(1)]

2. On March 1, 2016, the Company issued a convertible promissory note to LG Capital Funding, LLC in the face amount of $78,750 and received proceeds of $71,250 [(1)]

3. On March 4, 2016, the Company issued a convertible promissory note to T McNeil Advisors, LLC in the face amount of $37,500 in exchange for advisory services [(1)]

4. On May 29, 2016, the Company issued a convertible promissory note to Timothy Honeycutt, Director, in the face amount of $25,000 in exchange for services [(1)]

5. The Company issued 253,662,076 shares of common stock upon the conversion of convertible promissory notes and accrued interest totaling $23,778.

---

(1) For additional information, see "NOTE – 2 Convertible Promissory Notes" to our financial statements.

Item 6. Exhibits

Exhibit No.	Description of Exhibit
3.1	Certificate of Designation, Preferences and Rights of Series A Convertible Preferred Stock of Artec Global Media, Inc. (Incorporated by reference from exhibit 3.2 to Form 8-K filed with the SEC on May 27, 2016)
10.1	Securities Purchase Agreement dated March 1, 2016 between Artec Global Media, Inc. and LG Capital Funding LLC (Incorporated by reference from exhibit 10.29 to Form 10-K filed with the SEC on May 17, 2016)
10.2	Form of Convertible Promissory Note in the amount of $78,750 dated March 1, 2016 between Artec Global Media, Inc. and LG Capital Funding, LLC (Incorporated by reference from exhibit 10.30 to Form 10-K filed with the SEC on May 17, 2016)
10.3	Form of Convertible Promissory Note in the amount of $37,500 dated March 4, 2016 between Artec Global Media, Inc. and T McNeil Advisors, LLC (Incorporated by reference from exhibit 10.26 to Form 10-K filed with the SEC on May 17, 2016)
10.4	Form of Convertible Promissory Note in the amount of $25,000 dated April 29, 2016 between Artec Global Media, Inc. and Timothy Honeycutt (Incorporated by reference from exhibit 10.27 to Form 10-K filed with the SEC on May 17, 2016)
10.5	Securities Purchase Agreement dated May 3, 2016 between Artec Global Media, Inc. and Cerberus Finance Group Ltd. (Incorporated by reference from exhibit 10.31 to Form 10-K filed with the SEC on May 17, 2016)
10.6	Convertible Promissory Note in the amount of $35,000 dated May 3, 2016 between Artec Global Media, Inc. and Cerberus Finance Group Ltd. (Incorporated by reference from exhibit 10.32 to Form 10-K filed with the SEC on May 17, 2016)
10.7*	Form of Convertible Promissory Note in the amount of $100,000 dated February 5, 2016 between Artec Global Media, Inc. and Search4.com, Inc.
31.1*	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to Rule 13a-14 of the Securities Exchange Act of 1934, As Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002*
32.1*	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, As Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002*
101.INS **	XBRL Instance Document
101.SCH **	XBRL Taxonomy Extension Schema Document
101.CAL **	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF **	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB **	XBRL Taxonomy Extension Label Linkbase Document
101.PRE **	XBRL Taxonomy Extension Presentation Linkbase Document

*Filed herewith

** Furnished herewith. XBRL (eXtensible Business Reporting Language) information is furnished and not filed or a part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933, as amended, is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise is not subject to liability under these sections.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Artec Global Media, Inc.
(Registrant)

June 20, 2016

By: */s/ Caleb Wickman*
Caleb Wickman
President and Treasurer
(Principal Executive Officer and Principal Financial Officer)

DEMAND PROMISSORY NOTE

NEITHER THIS NOTE NOR THE SHARES OF COMMON STOCK OR ANY OTHER SECURITIES ISSUABLE UPON CONVERSION OF THIS NOTE HAVE BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THIS NOTE HAS BEEN ACQUIRED, AND ANY SHARES OF COMMON STOCK OR ANY OTHER SECURITIES ISSUABLE UPON CONVERSION OF THE AMOUNTS OUTSTANDING UNDER THIS NOTE ARE REQUIRED TO BE ACQUIRED, FOR INVESTMENT PURPOSES AND NOT WITH A VIEW TO DISTRIBUTION OR RESALE, AND MAY NOT BE SOLD, ASSIGNED, PLEDGED, HYPOTHECATED OR OTHERWISE TRANSFERRED WITHOUT AN EFFECTIVE REGISTRATION STATEMENT FOR THIS NOTE AND/OR SUCH SHARES OR OTHER SECURITIES UNDER THE SECURITIES ACT OF 1933, AS AMENDED, AND APPLICABLE STATE SECURITIES LAWS OR AN OPINION OF COUNSEL SATISFACTORY TO THE ISSUER OF THIS NOTE AND SUCH SHARES OR OTHER SECURITIES TO THE EFFECT THAT REGISTRATION IS NOT REQUIRED UNDER SUCH ACT AND SUCH STATE SECURITIES LAWS.

Artec Global Media, Inc.
12% Convertible Promissory Note

Dated: February 5, 2016 Principal Amount: $100,000
San Diego, Ca.

For Value Received , the undersigned, **Artec Global Media, Inc.** (together with its successors and assigns, the "Company"), a Nevada corporation, hereby promises to pay to the order of Search4.Com, Inc. (the "Lender") or registered assignees (Lender or such assignees shall be referred to herein collectively as the "Holder"), the principal sum of One Hundred Thousand dollars ($100,000) set forth below. Prior to the Maturity Date, the Company agrees to pay the principal amount evidenced by this Note plus all unpaid interest due hereunder not later than seven (7) days after written DEMAND is sent to the Company at the address set forth herein by first class mail.

1. **Interest Rate** . Until an Event of Default shall have occurred, the principal amount evidenced by this Note shall bear interest at the rate of 12% per annum, interest on this Note shall be compounded daily (the "Applicable Interest Rate"). Upon the occurrence of an Event of Default, the outstanding principal amount and any accrued but unpaid interest thereon shall thereafter bear interest until paid at the greater of (a) 16%, or (b) the maximum legal rate of interest available under the laws of the State of Wisconsin (the "Default Interest Rate").

2. **Payment Date; Payment Method** .

(a) **Payment Dates.** Unless payment is made by the Company pursuant to a written DEMAND received from Holder, the outstanding principal amount evidenced by this Note (and any accrued but unpaid interest thereon) shall be paid by, or on February 5, 2017 (the "Maturity Date"). Upon payment in full of the principal evidenced by this Note (and any accrued but unpaid interest thereon), Lender, by Lender's acceptance of this Note, agrees to mark this Note "CANCELLED" and return this Note as so marked to the Company within five Business Days after such payment in full is received. For purposes of this Note, the term "Business Day" shall mean any day other than a Saturday, Sunday or a day on which banking institutions in the State of New York are authorized or obligated by law or executive order to close. This Note may be prepaid by the Company, and at the Company's sole discretion, without penalty in whole or in part at any time upon ten days' prior written notice to Holder, provided that such prepayment includes any accrued but unpaid interest thereon through the date of prepayment.

(b) **Payment Method.** Payment of the principal evidenced by this Note (and any accrued but unpaid interest thereon) shall be made by check, subject to collection, tendered to Holder, via postage paid, first class mail, at the address for the giving of notices as set forth in Section 10 of this Note.

3. **Default; Acceleration** .

(a) Any of the following shall constitute an "Event of Default" under this Note:

(i) the failure by the Company to pay any amounts required to be paid under this Note on or before the date on which such payment was due;

(ii) the breach or noncompliance by the Company of any of its material representations, warranties or covenants contained herein or in the Agreement;

(iii) the Company shall

(A) apply for or consent to the appointment of a receiver or trustee of the Company's assets,

(B) make a general assignment for the benefit of creditors,

(C) file a petition or other request no matter how denominated ("Petition") seeking relief under Title 11 of the United States Code or under any other federal or state bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute ("Bankruptcy Statute"), or

(D) file an answer admitting the material allegations of a Petition filed against it in any proceeding under any Bankruptcy Statute;

(iv) there shall have entered against the Company an order for relief under any Bankruptcy Statute; or

(v) a Petition seeking an order for relief under any Bankruptcy Statute is filed by any one other than the Company and without the Company's consent or agreement which is not dismissed or stayed within 60 days after the date of such filing, or such Petition is not dismissed upon the expiration of any stay thereof.

(b) Upon the occurrence of an Event of Default, the unpaid principal amount evidenced by this Note (and any accrued but unpaid interest thereon) shall be immediately due and payable.

(c) Until the occurrence of an Event of Default, the principal amount evidenced by this Note shall bear interest at the Applicable Interest Rate and upon an Event of Default, any unpaid principal amount under this Note and any accrued but unpaid interest through the date of effectiveness of such Event of Default shall bear interest until paid at the Default Interest Rate.

4. **Conversion Right** .

(a) **Voluntary Conversion** . Provided that the Holder does not exercise its right to DEMAND payment of the principal amount evidenced by this Note plus all accrued and unpaid interest, the Holder of this Note has the right, at the Holder's option and at any time following the date of this Note and before the Maturity Date, to convert the principal balance of this Note (plus all accrued and unpaid interest under this Note), in accordance with the procedures contained in Section 4(b) hereof, in whole or in part, into a number of fully paid and non-assessable shares of the common stock, at the lesser of par value $0.001 per share or 50% discount of the lowest closing price of the previous 10 days (the "Common Stock"), of the Company at the Conversion Price (as defined below). The number of shares of Common Stock into which this Note may be converted ("Conversion Shares") pursuant to this Section 4(a) shall be determined by dividing the aggregate principal amount together with all accrued and unpaid interest thereon as of the date of conversion, by the Conversion Price. "Conversion Price" shall mean the lesser of $0.001 the value per share or 50% of the lowest bid of previous 10 trading days at the time of conversion.

(b) **Conversion Procedure** . Before the Holder shall be entitled to convert this Note into Conversion Shares, it shall surrender this Note at the office of the Company and shall give written notice by email, to the Company an its principal corporate officer, of the election to convert the same pursuant to Section 4(a), and shall state therein the name or names in which the certificate or certificates for shares of Common Stock are to be issued. The Company shall, as soon as practicable thereafter, issue and deliver at such office to the Holder of this Note a certificate or certificates for the number of shares of Common Stock to which the Holder of this Note shall be entitled. Such conversion shall be deemed to have been made immediately prior to the close of business on the date of such surrender of this Note, and the person or persons entitled to receive the Conversion Shares issuable upon such conversion shall be treated for all purposes as the record holder or holders of the shares of Common Stock as of such date. At no time may any conversion right be exercised, if such conversion would caused the converting party to become a greater than 9.99% shareholder of the Company; provided, however, that a partial conversion may be completed, whereby that individual may remain a less than 9.99% holder.

(c) **Fractional Shares** . No fractional shares of Common Stock shall be issued upon conversion of indebtedness evidenced by this Note. Instead of any fractional shares of Common Stock which would otherwise be issuable upon conversion, the Company shall pay a cash adjustment in respect of such fractional share in an amount equal to the product resulting from multiplying (i) the Conversion Price by (ii) such fractional share.

(d) **Liability for Taxes on Conversion Shares** . The Company shall pay all documentary, stamp and other transactional taxes attributable to the issuance of Conversion Shares or other securities issuable upon conversion of any portion of the principal and accrued interest evidenced by this Note if issued in the name of Holder. In all other cases, such taxes shall be paid by Holder.

(e) **Reservation of Conversion Shares** . The Company shall reserve, free from preemptive rights, out of its authorized but unissued shares of Common Stock a number of shares equal to 400% of the value of the Conversion at all times of Common Stock for issuance as Conversion Shares.

(f) **Status of Conversion Shares** . All Conversion Shares which may be is-sued in connection with the conversion provisions set forth -in this Section 4 will, upon delivery by the Company, be duly and validly issued, fully paid and non-assessable, with no personal liability attaching to the ownership of such Conversion Shares, and free from all taxes, liens or charges with respect thereto and not subject to any preemptive rights.

5. **Assignment** . This Note is not assignable by the Company, and any purported assignment of this Note shall be null and void and of no effect. This Note is assignable by the Holder in compliance with applicable federal and state securities laws.

6 **. Waiver and Amendment** . Any provision of this Note may be amended, waived or modified upon the written consent of the Company and the Holder.

7. **Usury.** This Note is hereby expressly limited so that in no event whatsoever, whether by reason of acceleration of maturity of the loan evidenced hereby or otherwise, shall the amount paid or agreed to be paid to the Holder hereunder for the loan, use, forbearance or retention of money exceed that permissible under applicable law. If at any time the performance of any provision of this Note or of any other agreement or instrument entered into in connection with this Note involves a payment exceeding the limit of the interest that may be validly charged for the loan, use, forbearance or detention of money under applicable law, then automatically and retroactively, ipso facto, the obligation to be performed shall be reduced to such limit, it being the specific intent of the Company and the Holder that all payments under this Note are to be credited first to interest as permitted by law, but not in excess of (a) the agreed rate of interest set forth herein or therein or (b) that permitted by law, whichever is the lesser, and the balance toward the reduction of principal. The provisions of this Section 7 shall never be superseded or waived and shall control every other provision of this Note and all other agreements and instruments between the Company and the Holder entered into in connection with this Note.

8. **Governing Law** . This Note and all rights and obligations hereunder shall be governed by and construed in accordance with the laws of the State of California applicable to agreements made and be performed wholly within such State, without regard to such State's conflicts of laws principles.

9. **Notices** . All requests, demands, notices and other communications required or otherwise given under this Note shall be sufficiently given if (a) delivered by hand, against written receipt therefore, (b) forwarded by overnight courier requiring acknowledgment of receipt or (c) mailed by postage prepaid, registered or certified mail, return receipt requested, addressed as follows:

If to the Company, to: Artec Global Media, Inc.
249 South Highway 101 #324
Solana Beach CA 92075
Attn: Caleb Wickman, President

or, in the case of any of the parties hereto, at such other address as such party shall have furnished in writing, in accordance with this Section 10, to the other parties hereto. Each such request, demand, notice or other communication shall be deemed given (a) on the date of delivery by hand, (b) on the first business day following the date of delivery to an overnight courier or (c) three business days following mailing by registered or certified mail.

IN WITNESS WHEREOF , this Note has been duly executed and delivered as of the date first above written.

Artec Global Media, Inc.

By: ______________________________

Name: Caleb Wickman

Title: President and CEO

Search4.com, Inc.

By: ______________________________

Mark Scharbo, President

EXHIBIT 31.1

CERTIFICATION PURSUANT TO RULE 13A-14(A) OF THE SECURITIES EXCHANGE ACT OF 1934 AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Caleb Wickman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Artec Global Media, Inc. (the "Registrant");

2. Based on my knowledge, this report 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 report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. As the registrant's certifying officer I am responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. As the registrant's certifying officer I have disclosed, based on my most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's Board of Directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: June 20, 2016

By: */s/ Caleb Wickman*
Caleb Wickman
President and Treasurer
(Principal Executive Officer and Principal Financial Officer)

EXHIBIT 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the accompanying Quarterly Report on Form 10-Q of Artec Global Media, Inc. for the fiscal quarter ending April 30, 2016, I, Caleb Wickman, Chief Executive Officer and Chief Financial Officer of Artec Global Media, Inc., hereby certify pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes- Oxley Act of 2002, to the best of my knowledge and belief, that:

1. Such Quarterly Report on Form 10-Q for the fiscal quarter ending April 30, 2016, fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

2. The information contained in such Quarterly Report on Form 10-Q for the fiscal quarter ending April 30, 2016, fairly presents, in all material respects, the financial condition and results of operations of Artec Global Media, Inc.

Date: June 20, 2016

By: */s/ Caleb Wickman*
Caleb Wickman
President and Treasurer
(Principal Executive Officer and Principal Financial Officer)