

Pacific Ventures Group, Inc.
Form 10-Q
August 14, 2015

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 the quarterly period ended June 30, 2015

TRANSITION REPORT UNDER SECTION 13 OR 15(d) OF THE EXCHANGE ACT

For the transition period from _____ to _____

Commission File Number 000-54584

Pacific Ventures Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of

75-2100622

(IRS Employer Identification No.)

incorporation or organization)

200 Camelia Court, Vero Beach, Florida

32963

(Address of principal executive offices)

(Zip Code)

(772) 231-1244

(Registrant's telephone number, including area code)

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 past 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 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

Smaller reporting company

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(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common equity, as of the latest practicable date.

384,031 shares of \$0.001 par value common stock on August 14, 2015

Part I FINANCIAL INFORMATION

Item 1. Financial Statements

Pacific Ventures Group, Inc.

FINANCIAL STATEMENTS

June 30, 2015

The unaudited financial statements included herein have been prepared by the Company pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with generally accepted accounting principles have been condensed or omitted. However, in the opinion of management, all adjustments (which include only normal recurring accruals) necessary to present fairly the financial position and results of operations for the periods presented have been made. These financial statements should be read in conjunction with the accompanying notes, and with the historical financial information of the Company.

PACIFIC VENTURES GROUP, INC.**Balance Sheets**

Assets	June 30, 2015 (unaudited)	December, 31 2014
Current Assets:		
Cash	\$	\$
Total Current Assets		
 Total assets	 \$	 \$
 Liabilities and Stockholders Equity (Deficit)		
Current Liabilities:		
Accounts payable	\$ 11,059	\$ 7,471
Notes Payable	20,522	14,576
Notes Payable due to officer	800	400
Interest Payable	343	173
Interest Payable due to officer	10	6
 Total current liabilities	 32,734	 22,626
 Stockholders' equity (deficit):		
Preferred Stock, 10,000,000 shares authorized, \$0.001 par value: Series E Preferred stock, 1,000,000 shares authorized, issued and outstanding	 1,000	 1,000
Common stock, \$0.001 par value; 100,000,000 shares authorized; 384,031 shares issued and outstanding	 384	 384
Additional paid-in capital	47,075,200	47,075,200
Accumulated earnings (deficit)	(47,109,318)	(47,099,210)
Total stockholders' equity (deficit)	(32,734)	(22,626)
 Total liabilities and stockholders' equity (deficit)	 \$	 \$

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

PACIFIC VENTURES GROUP, INC.**Statements of Operations****(unaudited)**

	For the Three Months Ended June 30, 2015	For the Three Months Ended June 30, 2014	For the Six Months Ended June 30, 2015	For the Six Months Ended June 30, 2014
Revenue	\$ -	\$ -	\$ -	\$ -
Operating expenses:				
General and administrative	9,534	5,588	9,934	10,027
Total operating expenses	9,534	5,588	9,934	10,027
Loss from operations	(9,534)	(5,588)	(9,934)	(10,027)
Other Income (Expense)				
Interest income	-	-	-	-
Interest expense	(99)	(46)	(174)	(57)
Total other income (expense)	(99)	(46)	(174)	(57)
Net income (loss)	\$ (9,633)	\$ (5,634)	\$ (10,108)	\$ (10,084)
Net income (loss) per share of common stock	\$ (0.03)	\$ (0.01)	\$ (0.03)	\$ (0.03)
Weighted average number of common shares	384,031	384,031	384,031	384,031

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

PACIFIC VENTURES GROUP, INC.**Statements of Cash Flows****(unaudited)**

	For the Six Months Ended June 30, 2015	For the Six Months Ended June 30, 2014
Cash flows from operating activities:		
Net income (loss)	\$ (10,108)	\$ (10,084)
Adjustments to reconcile net loss to net cash used by operating activities		
Changes in operating assets and liabilities:		
Increase (decrease) in accounts payable	3,588	2,748
Increase (decrease) in accrued interest	174	57
Net cash used in operating activities	(6,346)	(7,279)
Cash flows from financing activities:		
Proceeds - related party payable	400	400
Proceeds from notes payable	5,946	6,872
Net cash provided by financing activities	6,346	7,272
Net change in cash	-	(7)
Cash, beginning of period	-	7
Cash, end of period	\$ -	\$ -
Supplemental disclosure of cash flow information:		
Cash paid during the period for:		
Income Taxes	\$ -	\$ -
Interest	\$ -	\$ -

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

Pacific Ventures Group, Inc.

Notes to Unaudited Financial Statements

June 30, 2015

Note 1: Basis of Presentation and Summary of Significant Accounting Policies

Organization Pacific Ventures Group, Inc. (the Company or Pacific Ventures) was incorporated under the laws of the State of Delaware on October 3, 1986, under the name AOA Corporation. On November 12, 1991, the Company changed its name to American Eagle Group, Inc. On October 22, 2012, the Company changed its name to Pacific Ventures Group, Inc.

Going Concern The Company's financial statements have been prepared using accounting principles generally accepted in the United States of America applicable to a going concern, which contemplates the realization of assets and liquidation of liabilities in the normal course of business. The Company has not generated any revenue for several years and the sole officer and director of the Company has provided capital to pay prior and current obligations. The Company requires additional capital to continue its limited operations. Furthermore, the Company's officer and director serves without compensation. The Company assumes that these arrangements and the availability of future capital sources will continue into the future, but no assurance thereof can be given. A change in these circumstances would have a material adverse effect on the Company's ability to continue as a going concern. The accompanying financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Income Taxes

The Company utilizes the liability method of accounting for income taxes as set forth in ASC 740-20, *Accounting for Income Taxes*. Under the liability method, deferred taxes are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect in the years in which the differences are expected to reverse. An allowance against deferred tax assets is recorded when it is more likely than not that such tax benefits will not be realized.

Estimates

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

Cash and Cash Equivalents

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

Pacific Ventures Group, Inc.

Notes to Unaudited Financial Statements

June 30, 2015

(continued)

Revenue Recognition

The Company plans to recognize revenue when the following four conditions are present: (1) persuasive evidence of an agreement exists, (2) the price is fixed or determinable, (3) delivery has occurred or services are rendered, and (4) collection is reasonably assured.

Income (Loss) Per Common Share

Income (Loss) per common share is computed by dividing net loss available to common stockholders by the weighted average number of common shares outstanding during the periods presented. The Company has no potentially dilutive securities. Accordingly, basic and dilutive loss per common share are the same.

Fair Value

The carrying values of cash and cash equivalents, and accounts payable and accrued liabilities approximate their fair values because of the short-term maturity of these financial instruments.

Recently Issued Accounting Pronouncements

The Company has reviewed recently issued, but not yet adopted, accounting standards in order to determine their effects, if any, on its results of operations, financial position or cash flows. Based on that review, the Company believes that none of these pronouncements will have a significant effect on its financial statements.

Note 2: Income Taxes

Due to losses at June 30, 2015 and 2014, the Company had no income tax liability. At June 30, 2015 and 2014, the Company had available unused operating loss carry forwards of approximately \$134,599 and \$118,278, respectively, which may be applied against future taxable income and which expire in various years through 2035.

The amount of and ultimate realization of the benefits from the operating loss carry forwards for income tax purposes is dependent, in part, upon the tax laws in effect, the future earnings of the Company and other future events, the effects of which cannot be determined at this time. Because of the uncertainty surrounding the realization of the loss carry forwards, the Company has established a valuation allowance equal to the tax effect of the loss carry forwards and, therefore, no deferred tax asset has been recognized for the loss carry forwards. The net deferred tax assets are approximately \$50,205 and \$48,118 as of June 30, 2015 and 2014, respectively, with an offsetting valuation allowance of the same amount resulting in a change in the valuation allowance of approximately \$3,771 during the six months ended June 30, 2015.

Pacific Ventures Group, Inc.

Notes to Unaudited Financial Statements

June 30, 2015

(continued)

Components of income tax are as follows:

	Six Months Ended			
	June 30			
	2015		2014	
Current	\$	-	\$	-
Federal		-		-
State		-		-
		-		-
Deferred		-		-
	\$	-	\$	-

A reconciliation of the provision for income tax expense with the expected income tax computed by applying the federal statutory income tax rate to income before provision for income taxes as follows:

	Six Months Ended June 30			
	2015		2014	
Income tax computed at				
Federal statutory tax rate of 34%	\$	(3,437)	\$	(3,429)
State taxes (net of federal benefit) of				
3.3%		(334)		(332)
Deferred taxes and other		3,771		
				3,761
				\$
				-
				14

\$

-

The Company has no tax positions at June 30, 2015 and 2014, for which the ultimate deductibility is highly certain but for which there is uncertainty about the timing of such deductibility. The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. During the period ended June 30, 2015 and 2014, the Company recognized no interest and penalties. The Company had no accruals for interest and penalties at June 30, 2015 and 2014. Under the rules of the Internal Revenue Service, the Company's tax returns for the previous three years remain open for examination.

Note 3: Capital Stock

Preferred Stock and Common Stock The Company's Board of Directors is expressly granted the authority to issue, without stockholder action, the authorized shares of the Company's preferred and common stock. The Board of Directors may issue shares and determine the powers, preferences, limitations, and relative rights of any class of shares before the issuance thereof.

Pacific Ventures Group, Inc.

Notes to Unaudited Financial Statements

June 30, 2015

(continued)

Preferred Stock On October 22, 2012, the Company filed a Restated and Amended Certificate of Incorporation increasing the authorized Preferred Stock to 10,000,000 shares, par value \$.001 per share.

Series E Preferred Stock was authorized October 2006 for up to 1,000,000 shares. Under the rights, preferences and privileges of the Series E Preferred Stock, the holders of the preferred stock receive a 10 to 1 voting preference over common stock. Accordingly, for every share of Series E Preferred Stock held, the holder received the voting rights equal to 10 shares of common stock. The Series E Preferred Stock is not convertible into any other class of stock of the Company and has no preference to dividends or liquidation rights. As of June 30, 2015, and December 31, 2014, there were 1,000,000 Series E Preferred shares outstanding.

Common Stock On October 22, 2012, the Company filed a Restated and Amended Certificate of Incorporation increasing the authorized common stock to 100,000,000 shares, par value \$.001 per share. Effective November 8, 2012, there was a reverse split of the issued and outstanding common stock of the Company on a basis of fifty (50) to one (1). All fractional shares were rounded up to the nearest whole share, with no shareholder falling below 100 shares. There were 43,089 shares issued for rounding. The effects of which have been included in these financial statements as if the split had occurred at the beginning of the first period presented. As of June 30, 2015, and December 31, 2014, there were 384,031 shares of common stock outstanding.

Note 4: Related Party Transactions

On March 31, 2014, Brett Bertolami, the sole officer and director of the Company converted advanced money to the Company into a promissory note for \$400. On March 31, 2015, Mr. Bertolami converted an additional \$400 advanced to the Company into a promissory note. All of the money was used to pay operating expenses. The notes accrue interest at 2% annually until repaid.

For 2015 and 2014, the sole officer and director of the Company has provided office space at no cost to the Company.

Note 5: Notes Payable

On March 31, 2014, Brett Bertolami, the sole officer and director of the Company converted advanced money to the Company into a promissory note for \$400. On March 31, 2015, Mr. Bertolami converted an additional \$400 advanced to the Company into a promissory note. All of the money was used to pay operating expenses. The notes accrue interest at 2% annually until repaid. The balance of the notes payable, with interest, is \$810.

Pacific Ventures Group, Inc.

Notes to Unaudited Financial Statements

June 30, 2015

(continued)

From December, 2013, to June 30, 2015, the Company has borrowed funds from a private corporation to pay operating expenses. These amounts were converted into the following promissory notes. The balance of the notes payable, with interest, is \$20,865 at June 30, 2015.

<u>Date</u>	<u>Principal Amount</u>	<u>Interest Rate Until Paid</u>
June 30, 2015	\$4,500	2%
March 31, 2015	\$1,446	2%
September 30, 2014	\$5,630	2%
April 1, 2014		