

GOLDEN GLOBAL CORP.
Form 10-Q
October 03, 2018

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

ý QUARTERLY REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended: **September 30, 2016**

OR

“ TRANSITION REPORT UNDER SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file number: 000-54528

GOLDEN GLOBAL CORP.

(Exact name of registrant as specified in its charter)

Nevada

(State or other jurisdiction of incorporation or organization)

47-1460693

(I.R.S. Employer

Identification No.)

21573 San Germain Drive

Boca Raton, FL 33433

(Address of principal executive offices)

(561) 430-5935

(Registrant's telephone number, including area code)

Indicate by check whether the registrant (1) filed all reports required to be filed by Section 13 or 15(d) of the Securities and 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, a smaller reporting company, or an emerging growth company. See the definition of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act:

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company.

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

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

As of October 3, 2018, the registrant has one class of common equity, and the number of shares outstanding of such common equity was 37,408,293.

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PART I – FINANCIAL INFORMATION**Item 1. Financial Statements.****GOLDEN GLOBAL CORP.**

Condensed Balance Sheets

	September 30, 2016 (Unaudited)	June 30, 2016
Assets		
Current assets:		
Cash and cash equivalents	\$—	\$—
Total current assets		—
		—
Total assets	\$—	\$—
Liabilities and Stockholders' Deficit		
Current liabilities:		
Convertible notes payable, net of discount of \$13,802 and \$22,472 at September 30 and June 30, 2016, respectively	\$422,913	\$412,243
Accounts payable	76,039	72,832
Related party payable	155,527	88,027
Other current liabilities	114,340	80,359
Derivative liabilities	935,249	872,465
Total current liabilities	1,704,068	1,525,926
Commitments and contingencies	—	—
Stockholders' deficit:		
Preferred stock, \$1.00 par value; 250,000,000 shares authorized, 1,000 shares issued and outstanding	1,000	1,000
Common stock, \$0.0001 par value; 4,500,000,000 shares authorized; 1,532,785 and 1,460,088 shares issued and outstanding at September 30 and June 30, 2016, respectively	153	146
Capital in excess of par value	1,933,589	1,915,448
Accumulated deficit	(3,638,810)	(3,442,520)
Total stockholders' deficit	(1,704,068)	(1,525,926)

Total liabilities and stockholders' deficit	\$—	\$—
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See Accompanying Notes to the Financial Statements

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GOLDEN GLOBAL CORP.Condensed Statements of Operations
(Unaudited)

	Three Months Ended September 30,	
	2016	2015
Revenues	\$—	\$—
Cost and expenses:		
Professional fees	32,545	9,618
Consulting fees	—	48,733
General and administrative	70,707	14,025
Total costs and expenses	103,252	72,376
Loss from operations	(103,252)	(72,376)
Other income (expense):		
Interest expense	(35,120)	—
Foreign exchange gain	—	5,790
Gain (loss) on change in value of derivative liabilities	(57,918)	(2,164,425)
Total other income (expense)	(93,038)	(2,158,635)
Net loss from continuing operations	(196,290)	(2,231,011)
Discontinued operations loss	—	(10,222)
Net loss and comprehensive loss	(196,290)	(2,241,233)
Preferred shares dividend		(5,700)
Net loss attributed to common stockholders	\$(196,290)	\$(2,246,933)
Basic and diluted loss per share:		
Continuing operations	\$(0.13)	\$(43.57)
Discontinued operations	\$0.00	\$(0.21)
Net loss	\$(0.13)	\$(43.88)
Weighted average number of shares outstanding:		
Basic	1,507,388	51,208
Diluted	1,507,388	51,208

See Accompanying Notes to the Financial Statements

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GOLDEN GLOBAL CORP.Condensed Statements of Cash Flows
(Unaudited)

	Three Months Ended September 30, 2016	Three Months Ended September 30, 2015
Operating activities		
Net loss from continuing operations	\$(196,290)	\$(2,231,011)
Loss from discontinued operations	—	(10,222)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock-based compensation	—	16,294
Depreciation	—	4,680
Amortization of debt discount	26,984	—
Change in fair market value of derivatives	57,918	2,164,425
Foreign exchange gain	—	(5,790)
Changes in non-cash working capital balances		
Accounts payable	3,207	26,950
Accounts payable – related party	67,500	26,162
Other liabilities	33,981	7,390
Cash used in operating activities	(6,700)	(1,122)
Financing activities		
Proceeds from convertible note	(6,700)	—
Cash provided by financing activities	6,700	—
Decrease in cash and cash equivalents during the period	(0)	(1,122)
Cash and cash equivalents, beginning of the period	—	5,705
Cash and cash equivalents, end of the period	\$—	\$4,582
Cash paid for:		
Interest	\$—	\$—
Income taxes	\$—	\$—
Non-cash financing activities		
Common stock issued for debt conversion	\$18,148	\$—
Initial valuation of derivatives	\$16,514	\$—

See Accompanying Notes to the Financial Statements

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GOLDEN GLOBAL CORP.

Notes To Condensed Financial Statements (Unaudited)

Note 1– Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and in accordance with the rules and regulations of the U.S. Securities and Exchange Commission (“SEC”) for quarterly reports on Form 10-Q. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the three-month period ended September 30, 2016, are not necessarily indicative of the results that may be expected for the year ended June 30, 2017. For further information, refer to the audited financial statements and footnotes thereto in our Annual Report on Form 10-K for the year ended June 30, 2016.

Note 2 – Going Concern Matters and Realization of Assets

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the ordinary course of business. However, the Company has sustained recurring losses from its continuing operations and as of September 30, 2016, had negative working capital of \$1,704,068 and a stockholders’ deficit of \$1,704,068. In addition, the Company is unable to meet its obligations as they become due and sustain its operations. The Company believes that its existing cash resources are not sufficient to fund its continuing operating losses, capital expenditures, lease and debt payments and working capital requirements.

The Company may not be able to raise sufficient additional debt, equity or other cash on acceptable terms, if at all. Failure to generate sufficient revenues, achieve certain other business plan objectives or raise additional funds could have a material adverse effect on the Company’s results of operations, cash flows and financial position, including its ability to continue as a going concern, and may require it to significantly reduce, reorganize, discontinue or shut down its operations.

In view of the matters described above, recoverability of a major portion of the recorded asset amounts shown in the accompanying balance sheet is dependent upon continued operations of the Company which, in turn, is dependent upon the Company’s ability to meet its financing requirements on a continuing basis, and to succeed in its future operations. The financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or amounts and classification of liabilities that might be necessary should the Company be

unable to continue in its existence.

Management's plans include:

- Seek to raise debt or equity for working capital purposes and to pay off existing debt balances. With sufficient
1. additional cash available to the Company, it can begin to make marketing expenditures and hire people to generate more revenues, and consequently cut monthly operating losses.
 2. Continue to create new business opportunities in a cannabis-related field. The Company has secured two purchase contracts to acquire greenhouses in California and to work with a licensed cannabis entity.
 3. Renegotiate loan agreements with existing debt holders.

There can be no assurance that the Company will be able to achieve its business plan objectives or be able to achieve or maintain cash-flow-positive operating results. If the Company is unable to generate adequate funds from operations or raise sufficient additional funds, the Company may not be able to repay its existing debt, continue to operate its business network, respond to competitive pressures or fund its operations. As a result, the Company may be required to significantly reduce, reorganize, discontinue or shut down its operations. The financial statements do not include any adjustments that might result from this uncertainty.

Note 3 – Income (Loss) Per Common Share

Loss per common share data was computed as follows:

	Three Months Ended Sept. 30, 2016	Three Months Ended Sept. 30, 2015
Net loss attributable to shareholders	\$(196,290)	\$(2,246,933)
Weighted average common shares outstanding	1,487,324	51,208
Effect of dilutive securities	—	—
Weighted average dilutive common shares outstanding	1,487,324	51,208
Loss per common share - continuing operations	\$(0.13)	\$(43.57)
Loss per common share - discontinued operations	\$(.00)	\$(0.21)
Income (Loss) per common share – diluted	\$(0.13)	\$(43.88)

For the three-month periods ended September 30, 2016 and 2015 the Company excluded approximately 8,139,000 and 1,881,000 shares of common stock, respectively, issuable upon the exercise of outstanding convertible debt from the calculation of net loss per share because the effect would be anti-dilutive.

Note 4 – Principal Financing Arrangements

The following table summarizes components of debt as of September 30, 2016 and June 30, 2016:

	Sept. 30, 2016	June 30, 2016
Convertible debt due to various lenders	\$436,715	\$434,715
Less: discount on debt	13,802	22,472
Total debt, net of discounts	\$422,913	\$412,243

On February 6, 2014, the Company entered into a securities purchase agreement to issue an unsecured convertible promissory note with a principal amount of \$16,500. This promissory note bears interest at an annual rate of 8%, and a default rate of 18%, which was to be paid with principal in full on the maturity date of November 10, 2014. The principal amount of the note together with interest may be converted into shares of common stock, par value of \$0.0001 ("Common Stock") at the option of the lender at a conversion price equal to thirty five percent at the market price, calculated as the average of the lowest three trading prices during the 10 trading days prior to the conversion. As the note was not repaid on November 10, 2014, a penalty of \$5,473 has been added to the principal balance of the note. As of June 30, 2015, conversions totaling \$14,325 have been recorded and 4,359 shares of the Company's Common Stock have been issued as a result of the conversion. For the year ended June 30, 2016, additional conversions of \$6,790 were recorded, resulting in the issuance of 10,545 shares of Common Stock. At September 30 and June 30, 2016, the remaining debt balance is \$860.

On April 7, 2014, the Company entered into a securities purchase agreement to issue an unsecured convertible promissory note with a principal amount of \$32,500. This promissory note bears interest at an annual rate of 8%, and a default rate of 18%, which was to be paid with principal in full and interest on the maturity date of January 9, 2015. The principal amount of the note together with interest may be converted into shares of Common Stock, at the option of the lender at a conversion price equal to forty one percent at the market price, which is the average of the lowest three trading prices during the 10 days prior to the conversion. The note has matured unpaid. As a result, a penalty of \$16,250 has been added to the principal balance of the note. No debt conversions have been recorded, and at September 30 and June 30, 2016, the debt balance remains at \$48,750.

On April 9, 2014, the Company entered into a securities purchase agreement to issue an unsecured convertible promissory note with a principal amount of \$42,000. This promissory note bears interest at an annual rate of 8%, with a default rate of 16%, which is to be paid with principal in full on the maturity date of April 9, 2015. The principal amount of the note together with interest may be converted into shares of Common Stock at the option of the lender at a conversion price equal to fifty percent of the lowest closing price bid during the 18 days prior to the conversion. As the note was not repaid on April 9, 2015, a penalty of \$4,240 has been added to the principal balance of the note. As of June 30, 2015, conversions totaling \$8,810 have been recorded and 2,515 shares of the Company's Common Stock have been issued as a result of the conversion. For the year ended June 30, 2016, additional conversions of \$21,615 were recorded, resulting in the issuance of 259,010 shares of Common Stock. At September 30 and June 30, 2016, the remaining debt balance is \$15,815.

On May 27, 2014, the Company entered into a securities purchase agreement to issue an unsecured convertible promissory note with a principal amount of \$25,000. These promissory note bears interest at an annual rate of 8% which is to be paid with principal and interest on the maturity date of May 27, 2015. The principal amount of the note together with interest may be converted into shares of Common Stock at the option of the lender at a conversion price equal to fifty percent of the lowest closing price bid during the 18 days prior to the conversion. As of June 30, 2016, conversions totaling \$2,423 were recorded, resulting in the issuance of 991 post-reverse split shares of Common Stock. At September 30 and June 30, 2016, the remaining debt balance is \$22,577.

On February 20, 2015, the Company issued a convertible debenture for the gross proceed of \$25,000. The debenture matured on February 20, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of \$37,500 with 8% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock at fifty percent of the lowest market price during the 20 days prior to the conversion. At September 30 and June 30, 2016 the debt balance is \$37,500.

On March 16, 2015, the Company issued a convertible debenture for the gross proceed of \$15,000. The debenture matured on March 16, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of \$22,500 with 8% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock at fifty percent of the lowest market price during the 20 days prior to the conversion. At September 30 and June 30, 2016 the debt balance is \$22,500.

On August 20, 2015, the Company issued a convertible debenture of \$25,000 as a result of a partial transfer of the August 1, 2014 note to a new holder. The debenture matures on August 20, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of \$25,000 with 8% annual interest upon maturity. The principal amount of the note together with interest may be converted into shares of Common Stock at the lower of fifty percent of the lowest market price during the 20 days prior to the conversion. As of June 30, 2016, conversions totaling \$16,913 have been recorded and 208,269 shares of the Company's Common Stock have been issued as a result of the conversion. The note balance at September 30 and June 30, 2016 is \$8,087.

On November 5, 2015, the Company issued a convertible debenture for gross proceeds of \$30,000. The debenture matured on June 5, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of \$40,000 with 5% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock equal to fifty percent of the lowest closing price during the 40 days prior to the conversion. One debt conversion has occurred on August 2, 2016, resulting in the issuance of 72,222 post-reverse shares of common stock to retire \$6,500 on debt. The note balance at September 30, 2016 is \$33,500 and the balance at June 30, 2016 is \$40,000.

On December 2, 2015, the Company issued a convertible debenture for the gross proceeds of \$20,000. The debenture matured on June 2, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of \$25,000 with 5% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock equal to thirty percent of the lowest closing price during the 30 days prior to the conversion. No debt conversions have occurred and the note balance at September 30 and June 30, 2016 is \$25,000.

On December 3, 2015, the Company issued a convertible debenture of \$19,500 as a result of a partial transfer of the August 1, 2014 note to a new holder. The debenture matured on June 3, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of \$19,500 with 5% annual interest upon maturity. The principal amount of the note together with interest may be converted into shares of Common Stock at thirty percent of the lowest market price during the 30 days prior to the conversion. As of June 30, 2016, conversions totaling \$3,000 have been recorded and 55,556 shares of the Company's Common Stock have been issued as a result of the conversion. The note balance at September 30 and June 30, 2016 is \$16,500.

On December 3, 2015, the Company issued a convertible debenture of \$105,000 as a result of a transfer of the August 1, 2014 note to a new holder. The debenture matures on July 3, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of \$105,000 with 5% annual interest upon maturity. The principal amount of the note together with interest may be converted into shares of Common Stock at fifty percent of the lowest market price during the 40 days prior to the conversion. As of June 30, 2016, conversions totaling \$7,500 have been recorded and 83,333 shares of the Company's Common Stock have been issued as a result of the conversion. The note holder assigned \$6,000 of the note to another note holder, and the remaining balance of this note at September 30 and June 30, 2016 is \$91,500.

On December 30, 2015, the Company issued a convertible debenture for gross proceeds of \$5,000. The debenture matures on June 30, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of \$7,500 with 5% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock equal to fifty percent of the lowest closing price during the 40 days prior to the conversion. The note balance at September 30 and June 30, 2016 is \$7,500.

On December 31, 2015, the Company issued a convertible debenture for gross proceeds of \$10,000. The debenture matures on July 1, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of \$13,000 with 5% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock equal to fifty percent of the lowest closing price during the 30 days prior to the conversion. The note balance at September 30 and June 30, 2016 is \$13,000.

On January 5, 2016, the Company issued a convertible debenture of \$19,618 as a result of a transfer of the November 8, 2014 note to a new holder. The debenture matures on July 5, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of \$19,618 with 5% annual interest upon maturity. The principal amount of the note together with interest may be converted into shares of Common Stock at fifty percent of the lowest market price during the 30 days prior to the conversion. As of June 30, 2016, conversions totaling \$3,992 have been recorded and 399,200,000 shares of the Company's Common Stock have been issued as a result of the conversion. The note balance at September 30 and June 30, 2016 is \$15,626.

On January 13, 2016, the Company issued a convertible debenture for gross proceeds of \$20,000. The debenture matures on January 13, 2017. The terms of the debenture require the Company to pay the debenture investor a principal sum of \$26,000 with 5% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock equal to forty-five percent of the lowest closing price during the 30 days prior to the conversion. The note balance at September 30 and June 30, 2016 is \$26,000.

On January 19, 2016, the Company issued a convertible debenture for gross proceeds of \$2,500. The debenture matures on January 19, 2017. The terms of the debenture require the Company to pay the debenture investor a principal sum of \$4,000 with 5% annual interest upon maturity. The principal amount of the debenture together with

interest may be converted into shares of Common Stock equal to forty-five percent of the lowest closing price during the 30 days prior to the conversion. The note balance at September 30 and June 30, 2016 is \$4,000.

On February 25, 2016, the Company issued a convertible debenture for gross proceeds of \$19,500. The debenture matures on July 3, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of \$33,500 with 5% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock equal to fifty percent of the lowest closing price during the 30 days prior to the conversion. The note balance at September 30 and June 30, 2016 is \$33,500.

On February 23, 2016, the Company issued a convertible debenture of \$2,500 as a result of a partial transfer of the December 3, 2015 note to a new holder. The debenture matures on July 3, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of \$2,500 with 5% annual interest upon maturity. The principal amount of the note together with interest may be converted into shares of Common Stock at fifty percent of the lowest market price during the 40 days prior to the conversion. The note balance at September 30 and June 30, 2016 is \$2,500.

On March 13, 2016, the Company issued a convertible debenture of \$3,500 as a result of a partial transfer of the December 3, 2015 note to a new holder. The debenture matures on July 3, 2016. The terms of the debenture require the Company to pay the debenture investor a principal sum of \$3,500 with 5% annual interest upon maturity. The principal amount of the note together with interest may be converted into shares of Common Stock at fifty percent of the lowest market price during the 40 days prior to the conversion. The note balance at September 30 and June 30, 2016 is \$3,500.

On July 11, 2016, the Company issued a convertible debenture for gross proceeds of \$1,200. The debenture matures on January 11 2017. The terms of the debenture require the Company to pay the debenture investor a principal sum of \$2,500 with 5% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock equal to fifty percent of the lowest closing price during the 30 days prior to the conversion. The note balance at September 30, 2016 is \$2,500.

On July 20, 2016, the Company issued a convertible debenture for gross proceeds of \$5,500. The debenture matures on January 20, 2017. The terms of the debenture require the Company to pay the debenture investor a principal sum of \$6,000 with 5% annual interest upon maturity. The principal amount of the debenture together with interest may be converted into shares of Common Stock equal to fifty percent of the lowest closing price during the 30 days prior to the conversion. The note balance at September 30 is \$6,000.

The conversion price of the notes issued in is based on a variable that is not an input to the fair value of a “fixed-for-fixed” option as defined under FASB ASC Topic No. 815 - 40. The fair value of the notes was recognized as a derivative instrument at the issuance date and is measured at fair value at each reporting period. For convertible debentures issued in the first three months of fiscal 2017, the Company determined that the aggregate fair value of the conversion features was \$16,514 at the issuance dates. Debt discount was recorded up to the \$8,500 face amount of the note and is amortized to interest expense over the term of the note. The fair value of the conversion feature in excess of the principal amount allocated to the notes in the aggregate amount of \$8,014 was expensed immediately as additional interest expense.

For convertible debentures issued in fiscal 2016, the Company determined that the aggregate fair value of the conversion features was \$864,674 at the issuance dates. Debt discount was recorded up to the \$286,500 face amount of the note and is amortized to interest expense over the term of the note. The fair value of the conversion feature in excess of the principal amount allocated to the notes in the aggregate amount of \$578,174 was expensed immediately as additional interest expense. A total of \$8,136 of debt discount was charged to interest expense in the quarter ended September 30, 2016.

Accrued interest payable on the convertible notes amounted to \$50,705 at September 30, 2016 and \$42,589 at June 30, 2016.

Note 5 – Income Taxes

At September 30, 2016, the Company had net operating loss carryforwards for federal income tax purposes of approximately \$1,700,000 that expire in the years 2017 through 2032. The Company has provided an allowance for the full value of the related deferred tax asset since it is more likely than not that none of such benefit will be realized. Utilization of the net operating losses may be subject to annual limitations provided by Section 382 of the Internal Revenue Code and similar state provisions.

Due to the loss for the three-month periods ended September 30, 2016 and 2015, the Company has recorded no income tax expense in either of these three-month periods.

Note 6 – Related Party Transactions

The Company owes its Chief Executive Officer unpaid salary of \$155,527 and \$88,027 as of September 30 and June 30, 2016, respectively.

Note 7 – Stockholders' Deficit

At the opening of trading on September 16, 2016, we effected a reverse split of our common stock at a ratio of 1:1800. As a result of the reverse stock split, each of our 1,800 pre-split shares of common stock outstanding automatically combined into one new share of common stock without any action on the part of the respective holders, and the number of outstanding shares of our common stock was reduced from approximately 27.6 billion shares to 1,532,785 shares. The reverse stock split also applied to shares of common stock issuable upon the conversion of outstanding convertible securities.

The Company is authorized to issue 4,500,000,000 shares of its common stock, par value \$0.0001.

In the first quarter of fiscal 2017, the Company issued 72,222 shares of restricted stock to a convertible note holder to retire \$6,500 in debt.

Note 8 – Fair Value