AMERICAN STATES WATER CO
Form 8-K
August 06, 2018

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

Form 8-K
CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) August 6, 2018

AMERICAN STATES WATER COMPANY
(Exact name of registrant as specified in its charter)

California	**001-14431**	**95-4676679**
(State or other jurisdiction of incorporation or organization)	(Commission File Number)	(I.R.S. Employer Identification No.)

630 East Foothill Blvd.

San Dimas, California	**91773**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: (909) 394-3600

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2 below):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Section 2-Financial Information

Item 2.02. Results of Operations and Financial Condition

On August 6, 2018, American States Water Company released earnings for the second quarter ended June 30, 2018. A copy of the Company's press release is attached hereto as Exhibit 99.1.

This Form 8-K and the attached exhibits are furnished to, but not filed with, the Securities and Exchange Commission.

Section 9-Financial Statements and Exhibits

Item 9.01. Financial Statements and Exhibits

The following exhibit is furnished hereunder:

Exhibit 99.1 Press Release dated August 6, 2018

SIGNATURES

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 hereunto duly authorized.

	AMERICAN STATES WATER COMPANY
August 6, 2018	/s/ Eva G. Tang
	Eva G. Tang
	Senior Vice President-Finance, Chief Financial
	Officer, Corporate Secretary and Treasurer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release dated August 6, 2018

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603,350

Additional paid-in capital

(945,107
)
Accumulated deficit

(69,135
)

Total Stockholders' deficit

(410,877
)

TOTAL LIABILITIES AND STOCKHOLDERS'DEFICIT

$
19,798

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

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NET SAVINGS LINK, INC.
Consolidated Statements of Operations
(Unaudited)

	For the Three Months Ended August 31, 2014	From Inception on May 5, 2014 Through August 31, 2014
REVENUES	$-	$-
OPERATING EXPENSES		
General and administrative	84,912	84,912
Total Operating Expenses	84,912	84,912
OPERATING LOSS	(84,912)	(84,912)
OTHER INCOME (EXPENSE)		
Gain on derivative	72,382	72,382
Interest expense	(56,605)	(56,605)
Total Other Income (Expense)	15,777	15,777
NET LOSS	$(69,135)	$(69,135)
BASIC NET LOSS PER COMMON SHARE	$(0.00)	(0.00)
BASIC WEIGHTED AVERAGE NUMBER OF COMMON SHARES OUTSTANDING	287,956,154	224,508,188

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

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NET SAVINGS LINK, INC.
Consolidated Statements of Cash Flows
(Unaudited)

	From Inception on May 5, 2014 Through August 31, 2014
CASH FLOWS FROM OPERATING ACTIVITIES	
Net loss	$ (69,135)
Items to reconcile net loss to net cash used in operating activities:	
Debt discount amortization	9,237
Debt offering cost amortization	2,010
Gain on derivative	(72,382)
Penalty on default of convertible promissory notes	36,978
Changes in operating assets and liabilities:	
Increase in accounts payable and accrued liabilities	7,201
Net Cash Used in Operating Activities	(86,091)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from convertible notes payable	106,000
Cash paid for debt offering costs	(6,000)
Net Cash Provided by Financing Activities	100,000
INCREASE (DECREASE) IN CASH	13,909
CASH AT BEGINNING OF PERIOD	-
CASH AT END OF PERIOD	$ 13,909
CASH PAID FOR:	
Interest	$ -
Income taxes	$ -
NON-CASH FINANCING ACTIVITIES:	
Common stock issued for convertible notes and accrued interest	$ 91,848
Settlement of derivative liability to additional paid-in capital	$ 304,197
Net liabilities of NSL assumed by GDI upon acquisition	$ 739,686

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

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NET SAVINGS LINK, INC.
Notes to the Unaudited Consolidated Financial Statements

1. Nature of Operations and Continuance of Business

The unaudited interim consolidated financial statements included herein have been prepared by Net Savings Link, Inc. and its wholly owned subsidiary Global Distribution Network, Inc. (collectively, "NSL" or the "Company") in accordance with accounting principles generally accepted in the United States of America and the rules of the Securities and Exchange Commission. We believe that all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of financial position and the results of operations for the interim periods presented have been reflected herein and that the disclosures made are adequate to make the information not misleading. The results of operations for interim periods are not necessarily indicative of the results to be expected for the full year. Notes to the consolidated financial statements which would substantially duplicate the disclosure contained in the audited financial statements as would be required to be reported in Form 10-K have been omitted.

On June 18, 2014, NSL entered into a Share Exchange Agreement with Global Distribution Inc. ("GDI"), incorporated in the State of New York on May 5, 2014; David Saltrelli and Peter Schuster, holders of all of the issued and outstanding shares of Series A Preferred Stock of NSL; and, Steven Baritz, the sole shareholder of GDI. As a result of the Share Exchange Agreement, Steven Baritz acquired all of the issued and outstanding shares of Series A preferred stock of NSL (1,500,000 shares) from David Saltrelli and Peter Schuster in exchange for Baritz transferring all of the issued and outstanding shares of common stock of GDI to NSL. The shares of Series A preferred stock have 1,000 votes each and represent approximately 66.18% of NSL's voting power.

Effective June 18, 2013, Steven Baritz was appointed to the board of directors and appointed president, principal executive officer, secretary, treasurer, principal financial officer, and principal accounting officer, David Saltrelli, Peter Schuster, and Jon Wallen resigned as officers and directors. David Saltrelli and Peter Schuster, will continue to own 7,200,000 shares of our common stock and in the event of any action which causes a reduction in said shares, the Company will issue additional shares of common stock to David Saltrelli and Peter Schuster in order to maintain their ownership in 7,200,000 shares of the common stock.

For accounting purposes, the Share Exchange Agreement is being accounted for as a recapitalization of NSL, with GDI considered the accounting acquirer. GDI had no assets or liabilities and NSL did not recognize goodwill or any intangible assets as a result of the transaction. NSL had $739,686 of net liabilities at the date of the transaction. The historical consolidated financial statements presented include only the operations of GDI since its inception and NSL since June 18, 2014. The Company selected November 30 as its fiscal year end.

2. Going Concern

NSL's financial statements are prepared using Generally Accepted Accounting Principles applicable to a going concern that contemplates the realization of assets and liquidation of liabilities in the normal course of business. However, NSL has generated minimal revenue and accumulated significant losses since inception. As of August 31, 2014, company has accumulated deficit of $69,135 and a working capital deficit of $410,877. All of these items raise substantial doubt about its ability to continue as a going concern. Management's plans with respect to alleviating the adverse financial conditions that caused management to express substantial doubt about the NSL's ability to continue as a going concern are as follows:

In order to fund the start-up of operations during the year ended November 30, 2014, NSL entered into several financing transactions and continues to try to raise funds in 2014. The continuation of NSL as a

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going concern is dependent upon its ability to generating profitable operations that produce positive cash flows. If NSL is not successful, it may be forced to raise additional debt or equity financing.

There can be no assurance that NSL will be able to achieve its business plans, raise any more required capital or secure the financing necessary to achieve its current operating plan. The ability of NSL to continue as a going concern is dependent upon its ability to successfully accomplish the plan described in the preceding paragraph and eventually attain profitable operations. The accompanying financial statements do not include any adjustments that might be necessary if the Company is unable to continue as a going concern.

3. Convertible Promissory Notes Payable

During the period ended August 31, 2014, the holder of four Convertible Promissory Notes elected to convert a total of $91,848 in principal and interest into 422,520,696 shares of the Company's common stock at an average conversion price of $0.0002 per share.

During June 2014, NSL issued an Unsecured Convertible Promissory Notes for $53,000 (the "June 2014 Convertible Promissory Note"). The June 2014 Convertible Promissory Note is unsecured, due nine months from the date of issuance, accrues interest at 8% per annum and is convertible into shares of NSL's common stock 180 days from the date of issuance. The June 2014 Convertible Promissory Note is convertible at a discount from market of 55% of the average of the three lowest bid prices during the twenty trading days prior to the conversion date.

During June 2014, as a result of the Company's failure to pay amounts due under certain assumed convertible promissory notes from NSL, the Company incurred a penalty of $36,978, which was added to the principal amounts of the respective outstanding Convertible Promissory Notes.

During July 2014, NSL issued an Unsecured Convertible Promissory Note for $53,000 (the "July 2014 Convertible Promissory Note"). The July 2014 Convertible Promissory Note is unsecured, due nine months from the date of issuance, convertible 180 days from the date of issuance, accrues interest at 8% per annum and is convertible at a discount from market of 55% of the average of the three lowest bid prices during the twenty trading days prior to the conversion date.

4. Derivative Liabilities

NSL analyzed the conversion options embedded in the Convertible Promissory Notes for derivative accounting consideration under ASC 815, Derivatives and Hedging, and determined that the instruments embedded in the above referenced convertible promissory notes should be classified as liabilities and recorded at fair value due to their being no explicit limit to the number of shares to be delivered upon settlement of the conversion options. Additionally, the above referenced convertible promissory notes contain dilutive issuance clauses. Under these clauses, based on future issuances of NSL's common stock or other convertible instruments, the conversion price of the above referenced convertible promissory notes can be adjusted downward. Because the number of shares to be issued upon settlement of the above referenced convertible promissory notes cannot be determined under this instrument, NSL cannot determine whether it will have sufficient authorized shares at a given date to settle any other future share instruments.

During the period ended August 31, 2014, one Convertible Promissory Notes became convertible into shares of the Company's common stock. The fair value of the conversion options was determined to be $62,279 using a Black-Scholes option-pricing model. Upon the date the Convertible Promissory Notes became convertible, $23,700 was recorded as debt discount and $38,579 was recorded as day one loss on derivative liability.

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During the period ended August 31, 2014, $91,848 in principal and accrued interest on Convertible Promissory Notes was converted into common stock, $304,197 in related derivative liability was extinguished through a charge to paid-in capital and $72,382 was recorded as a net gain on mark-to-market of the conversion options and warrants.

The following table summarizes the derivative liabilities included in the balance sheet at August 31, 2014:

Derivative liabilities May 5, 2014 (Inception)	$-
Assumption of derivative due to merger	572,958
Reclassification of derivative liability to additional paid-in capital due to promissory note conversions	(304,197)
Gains on change in fair value	(72,382)
Balance at August 31, 2014	$196,379

The following table summarizes the loss on derivative liabilities included in the income statement for the period ended August 31, 2014:

Excess of fair value of conversion option derivative liabilities over the related notes payable	$(38,597)
Fair value of convertible note default principal penalty	(828,082)
Gains on change in fair value	794,297
Gain on derivative liabilities	$72,382

NSL valued its derivatives liabilities using the Black-Scholes option-pricing model. Assumptions used during the period ended August 31, 2014 include (1) risk-free interest rates between 0.04% to 1.53%, (2) lives of between 0 and 4.76 years, (3) expected volatility of between 200% to 409%, (4) zero expected dividends, (5) conversion prices as set forth in the related instruments, and (6) the common stock price of the underlying share on the valuation dates.

5. Common Stock

During June 2014, the Company issued 45,336,654 shares of common stock for $20,542 of debt, or $0.0004 per share.

During July 2014, the Company issued 151,112,613 shares of common stock for $37,520 of debt and $2,136 of accrued interest, or $0.0002 per share.

During August 2014, the Company issued 226,071,429 shares of common stock for $31,650 of debt, or $0.0002 per share.

6. Financial Instruments

ASC 820, Fair Value Measurements (ASC 820) and ASC 825, Financial Instruments (ASC 825), requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. It establishes a fair value hierarchy based on the level of independent, objective evidence surrounding the inputs used to measure fair value. A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. It prioritizes the inputs into three levels that may be used to measure fair value:

Level 1 - Level 1 applies to assets or liabilities for which there are quoted prices in active markets for identical assets or liabilities.

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Level 2 - Level 2 applies to assets or liabilities for which there are inputs other than quoted prices that are observable for the asset or liability such as quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which significant inputs are observable or can be derived principally from, or corroborated by, observable market data.

Level 3 - Level 3 applies to assets or liabilities for which there are unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of the assets or liabilities.

NSL's financial instruments consist principally of cash, accounts payable, and accrued liabilities. Pursuant to ASC 820 and 825, the fair value of cash is determined based on "Level 1" inputs, which consist of quoted prices in active markets for identical assets. The recorded values of all other financial instruments approximate their current fair values because of their nature and respective maturity dates or durations.

The following table sets forth by level with the fair value hierarchy the Company's financial assets and liabilities measured at fair value on August 31, 2014:

	Level 1	Level 2	Level 3	Total
Assets				
None	$ -	$ -	$-	$-
Liabilities				
Derivative financial instruments	$ -	$ -	$196,379	$196,379

7. Subsequent Events

During September 2014, the Company issued 337,142,857 shares of common stock for $36,240 of debt and accrued interest, or $0.0001 per share.

During October 2014, the Company issued 117,000,000 shares of common stock for $4,680 of debt, or $0.0004 per share.

We amended our articles of incorporation to increase our authorized shares of common stock from 1,000,000,000 shares to 3,000,000,000 shares with a par value of $0.001 per share.

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

FORWARD-LOOKING STATEMENTS

This Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) contains forward-looking statements that involve known and unknown risks, significant uncertainties and other factors that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed, or implied, by those forward-looking statements. You can identify forward-looking statements by the use of the words may, will, should, could, expects, plans, anticipates, believes, estimates, predicts, intends, potential, proposed, or continue or the negative of those terms. These statements are only predictions. In evaluating these statements, you should consider various factors which may cause our actual results to differ materially from any forward-looking statements. Although we believe that the exceptions reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. Therefore, actual results may differ materially and adversely from those expressed in any forward-looking statements. We undertake no obligation to revise or update publicly any forward-looking statements for any reason.

RESULTS OF OPERATIONS

Working Capital

	August 31, 2014
Current Assets	$19,798
Current Liabilities	430,675
Working Capital (Deficit)	$(410,877)

Cash Flows

	From Inception on May 5, 2014 Through August 31, 2014
Cash Flows Used in Operating Activities	$(86,091)
Cash Flows Used in Investing Activities	-
Cash Flows Provided by Financing Activities	100,000
Net Increase (Decrease) in Cash During Period	$13,909

Balance Sheet

As at August 31, 2014, the Company had total assets of $19,798. The assets are mainly comprised of prepaid expenses and cash balances in the Company's bank account.

The Company had total liabilities of $430,675 at August 31, 2014. The liabilities are comprised of $196,379 in derivative liabilities, $173,777 in convertible promissory notes payable and $60,519 in accounts payable and accrued expenses.

Operating Revenues

The Company received $0 in revenue during the period ended August 31, 2014.

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Operating Expenses

During the period ended August 31, 2014, the Company incurred operating expenses totaling $84,912, comprised of general and administrative expenses.

Net Loss

During the period ended August 31, 2014, the Company realized net loss of $69,135, comprised of $84,912 of operating expenses, $56,605 in interest expense and a gain of $72,382 on derivative.

Liquidity and Capital Resources

As at August 31, 2014, the Company had a cash balance of $13,909, total assets of $19,798, total liabilities of $430,675, and a working capital deficit of $410,877.

Cash Flows from Operating Activities

During the period ended August 31, 2014, the Company used $86,091 of cash flow from operating activities, mainly due to the $69,135 net loss during the period ended August 31, 2014.

Cash Flows from Investing Activity

The Company did not have any investing activities during the period ended August 31, 2014.

Cash Flows from Financing Activities

During the period ended August 31, 2014, the Company received proceeds of $106,000 from three convertible promissory notes, which are unsecured, convertible into the common stock of the Company, due interest at 8% per annum and mature approximately nine months from the dates of issuance.

Going Concern

We have not attained profitable operations and are dependent upon obtaining financing to pursue any extensive acquisitions and activities. For these reasons, our auditors stated in their report on our audited financial statements that they have substantial doubt that we will be able to continue as a going concern without further financing.

Off-Balance Sheet Arrangements

We have no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that are material to stockholders.

Future Financings

We will continue to rely on equity sales of our common shares in order to continue to fund our business operations. Issuances of additional shares will result in dilution to existing stockholders. There is no assurance that we will achieve any additional sales of the equity securities or arrange for debt or other financing to fund planned acquisitions and exploration activities.

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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 4. CONTROLS AND PROCEDURES.

Under the supervision and with the participation of our management, including the Principal Executive Officer and Principal Financial Officer, we have evaluated the effectiveness of our disclosure controls and procedures as required by Exchange Act Rule 13a-15(b) as of the end of the period covered by this report. Based on that evaluation, the Principal Executive Officer and Principal Financial Officer have concluded that these disclosure controls and procedures are not effective because procedures were not in place to provide for timely, complete, accurate reporting of events. The foregoing was a result of our president's lack of experience with his reporting and disclosure obligations, lack of proper segregation of duties due to limited personnel, and a lack of formal review process that includes multiple levels of review, resulting in audit adjustments related to the derivative liability account, accounting of the Company's convertible debt instruments and conversions and bad debt. Our president is committed to educating himself through the seminars and consulting with attorneys to become fully knowledgeable with his obligations. In addition, currently there are no written policies or procedures that clearly define the roles in the disclosure and reporting process.

There were no changes in our internal control over financial reporting during the quarter ended August 31, 2014 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1A. RISK FACTORS.

We are a smaller reporting company as defined by Rule 12b-2 of the Securities Exchange Act of 1934 and are not required to provide the information under this item.

ITEM 2. UNREGISTERED SALE OF EQUITY SECURITIES.

During the quarter ended August 31, 2014, we issued 422,520,696 restricted shares of common stock. The shares of common stock were issued pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act of 1933, as amended. The shares were issued to retire debt of $89,712.

ITEM 5. OTHER INFORMATION.

During the quarter ended August 31, 2014, we issued 422,520,696 restricted shares of common stock. The shares of common stock were issued pursuant to the exemption from registration contained in Section 4(a)(2) of the Securities Act of 1933, as amended. We failed to file a Form 8-K in connection with the foregoing. The shares were issued to retire debt of $89,712.

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ITEM 6. EXHIBITS.

Exhibit	Document Description	Incorporated by reference Form	Date	Number	Filed herewith
3.1	Articles of Incorporation.	S-1	6/09/08	3.1	
3.2	Bylaws.	S-1	6/09/08	3.2	
3.3	Amended Articles of Incorporation.	8-K	8/06/12	3.1	
4.1	Specimen Stock Certificate.	S-1	6/09/08	4.1	
10.1	Equity Purchase Agreement with Southridge Partners II, LP.	10-Q	4/23/12	10.3	
10.2	Stock Exchange Agreement with Global Distribution Inc.				X
14.1	Code of Ethics.	S-1	6/09/08	14.1	
31.1	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				X
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				X
99.1	Certificate of Designation.	8-K	8/06/12	99.1	
101.INS	XBRL Instance Document.				
101.SCH	XBRL Taxonomy Extension – Schema.				
101.CAL	XBRL Taxonomy Extension – Calculations.				
101.DEF	XBRL Taxonomy Extension – Definitions.				
101.LAB	XBRL Taxonomy Extension – Labels.				
101.PRE	XBRL Taxonomy Extension – Presentation.				

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized on this 20th day of October, 2014.

NET SAVINGS LINK INC.
(the "Registrant")

BY: STEVEN BARITZ
Steven Baritz
President, Principal Executive Officer, Principal Accounting Officer, Principal Financial Officer, and a member of the Board of Directors

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101.CAL	XBRL Taxonomy Extension – Calculations.				
101.DEF	XBRL Taxonomy Extension – Definitions.				
101.LAB	XBRL Taxonomy Extension – Labels.				
101.PRE	XBRL Taxonomy Extension – Presentation.				